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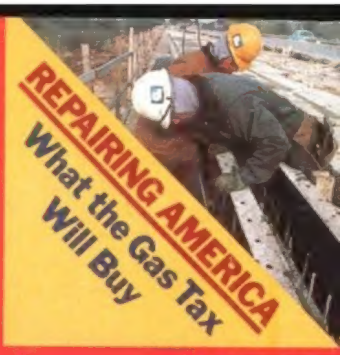

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JANUARY 10, 1983 Vol. 121 No. 2 **TIME** THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

When journalists and bankers consider a financial crisis, they face the same dilemma: talking about the bad news may make matters worse. The prophecy becomes self-fulfilling. As a result, says Correspondent Lawrence Malkin, who reported from Europe for this week's cover story on international debt: "Monetary officials speak in guarded code words, and commercial bankers in doubletalk." Like many other economic analysts, Malkin suspected for some time that a serious global debt problem was at hand but felt cautious about his suspicions. Not until a banker in Basel dropped his defenses over a beer and unambiguously warned him of the frailty of the Eurodollar market did Malkin decide to push ahead on the story.

Europe's Malkin

Financial tremors seem to be Malkin's lot. While in London in 1967, he covered the devaluation of the British pound. In 1981 he spent his Christmas holiday reporting the implications of martial law on Poland's unpayable debt. Indeed, as a journalist moving around the world for two decades, he has been forced to maintain bank accounts in half a dozen countries and to watch helplessly as currencies fluctuated.

Senior Correspondent Frederick Ungeheuer, who has covered financial news for TIME for 20 years, found the bankers he talked to unusually forthcoming. So did Washington Correspondent Gisela Bolte. "Normally, bankers give us only tidbits," she says. "But this time around, most of them seemed eager to bring some perspective to the situation. They were surprisingly voluble." Staff Writer Jay Palmer, who wrote the cover story, enjoyed a close look at the world of finance as a London stockbroker, then joined London's *Financial Times*, going to its New York bureau just before the 1973 OPEC crisis. At TIME he spent three years writing in the Economy & Business section, and since then has written stories on financial affairs for the International editions. Reporter-Researcher Naushad Mehta, who worked with Palmer on recent stories about Swiss banks, the Turkish economy and aid to Third World countries, knows the troubles of struggling economies firsthand. When the Indian rupee was devalued by 36.5% in 1966, Mehta, then a Bombay schoolgirl, saw the value of her pocket money dwindle abruptly. "It was," she recalls vividly, "quite a shock. The kind of thing you remember."

Washington's Bolte

John a. Meyer

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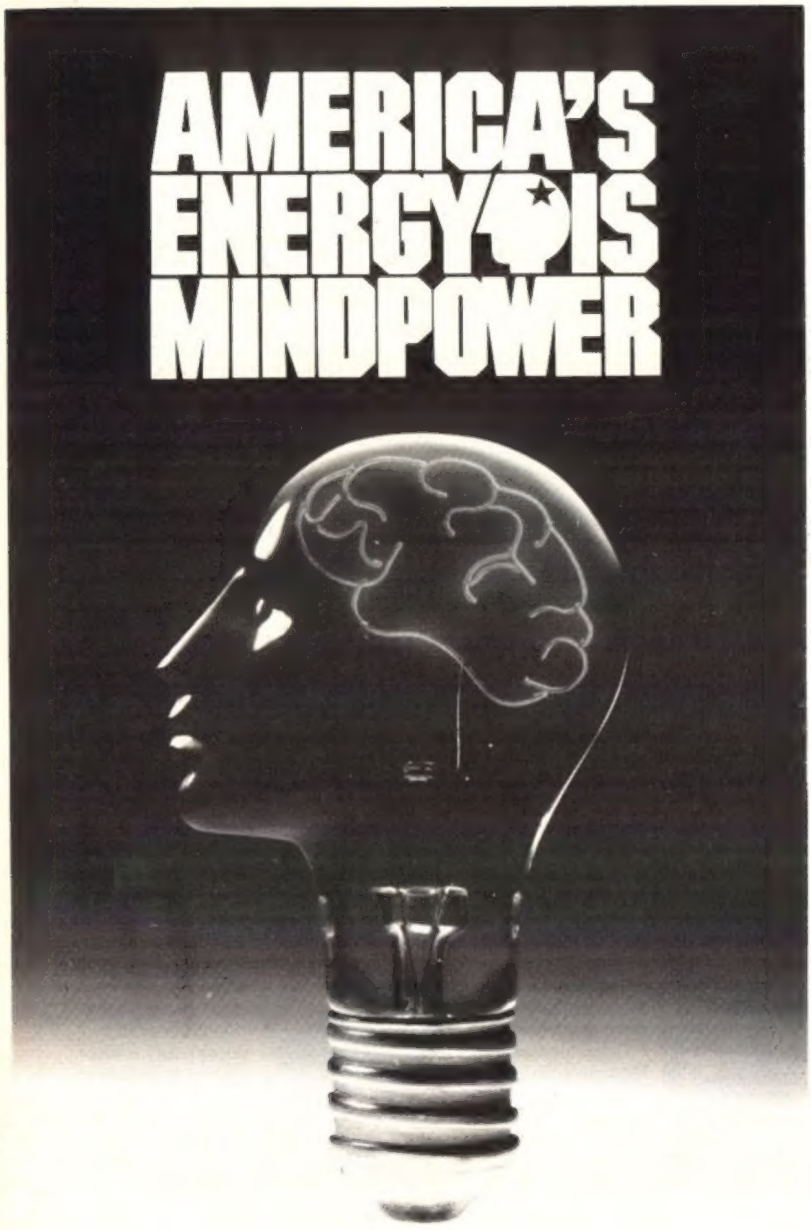

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Letters

Mexico's Future

To the Editors:

Your cover story on Mexico [Dec. 20] beautifully illustrates that nation's best hope: its long-suffering, noble people and vast, wasted natural resources.

Victor Orozco
Briggs, Texas

Your fine story will go far to cement the warm relations between Mexico and the U.S. Fortunately, Mexico now has a great statesman in its new President.

Richard L. Higby
Adams, Wis.

The message is clear. Mexico is a mature nation and should be allowed to solve its problems. At the same time, the U.S. is expected to sit back, furnish billions in bailouts with no strings attached and permit hundreds of thousands of illegal aliens to enter our country.

J. Randolph Johnson
Rock Hill, S.C.

Mexico is doomed to poverty and chaos because it refuses to limit its population. President de la Madrid's large family is a poor example for a country that is drowning in people.

David McCargo Jr.
Anchorage

Bravo for the refreshing article by Octavio Paz. It was time something was said about the problems existing in Mexico because of American foreign policy.

Nettie M. Cameron
Bellingham, Wash.

Palatable Death

The death penalty is the ultimate punishment for Charlie Brooks [Dec. 20]. It also grants equity to the victim. Brooks' execution is proof that in a civilized society, people cannot commit barbaric acts without paying the consequences.

Gabriella S. Ciocci
Miami

You make it sound as though the 1,100 inmates on death row are there for a petty offense like shoplifting. They are in prison for murder. Society would be much safer if these prisoners were put to death.

Rhea Beth Compton
Phoenix

I do not understand this preoccupation with the "humane way" to execute killers. What compassion do they show the victims whom they dispatch with gun, knife, ax, club or poison?

Robert H. Dodsley
Managing Editor, Sioux City Journal
Sioux City, Iowa

Killing is immoral whether done by the state or an individual. Murder will not cease so long as society feels it has a right to put to death those who kill.

(The Rev.) Daniel R. Gangler
Lincoln, Neb.

Australian Intrigue (Cont.)

I was pleased that TIME gave attention to my recent *Foreign Policy* article on American-Australian relations [Dec. 13]. However, TIME's insinuation that I draw upon whispers and rumors (and only left-wing ones at that) rather than normal scholarly sources is unfair. The question of U.S. improprieties in Australian politics was raised not by me but by former Prime Minister Gough Whitlam and by highly placed Labor Party officials. The case substantiating CIA involvement in the downfall of the Whitlam government can be found in books, police reports, TV documentaries and hundreds of newspapers ranging across the political spectrum. This evidence strongly suggests that the CIA was not a passive witness.

I would like to believe that the U.S. Government acted correctly. But those whose faith has been shaken will derive little reassurance from Assistant Secretary of State John Holdridge's letter [Jan. 3] denying CIA complicity. The matter should be laid to rest by an airing of documents and the taking of sworn testimony at an official inquiry. The Australians are old friends and valued allies. They are ill served by TIME's story and by Mr. Holdridge's official disclaimer, which only add to the appearance of a cover-up.

James A. Nathan, Professor
University of Delaware
Newark, Del.

Too Much Me

Amitai Etzioni's criticism of individualism and self-fulfillment [Dec. 20] is frightening. He is suggesting that people emulate the organization man, the person who sacrifices individuality and integrity in order to function well in a society obsessed with economic growth.

Doug J. Francimore
Trenton, N.J.

It is not Abraham Maslow or self-fulfillment that has destroyed America's traditional values and institutions. It is the many changes that occurred in our society after World War II, including materialism, hedonism, sexual licentiousness, reckless behavior and overindulgence. Together these traits have prevented people from maturing. This situation is graver than the Soviet threat and our current economic crisis combined.

Stanley B. Stefan
Monterey, Calif.

Mailer's Nativity

Over the years, TIME has had a few remarks to make about me, but much can now be forgiven. For in your piece about Norris Church Mailer's paintings [Dec. 20] your writer, your researcher, your typesetter and/or your proofreader were kind enough to list the artist's husband as Norman Mailer, 49. The proper age—and only a most scrupulous sense of the need for historical accuracy compels one to correct you—is indeed, and in unhappy truth, 59. I know you never make errors like this on more important occasions.

Norman Mailer
New York City

Aid for Zia

I am against the U.S.'s giving aid and arms to Pakistan [Dec. 20]. The rationale that Pakistan stands between Soviet troops in Afghanistan and the Persian Gulf is weak because it is becoming obvious that the Soviets are distressed at their overextension in Afghanistan. Besides, Pakistanis are as intractable as the Afghanis, and the U.S.S.R. would not want to take on another collection of fanatics.

I have recently returned from a year in Islamabad. Promises of U.S. aid to Pakistan have produced no softening of the anti-Americanism that is heard in the mosques, the universities and printed in the newspapers. As long as President Zia receives our technology, Pakistan will not soften its disdain for our ideals and way of life.

Thomas A. Dyer
La Grande, Ore.

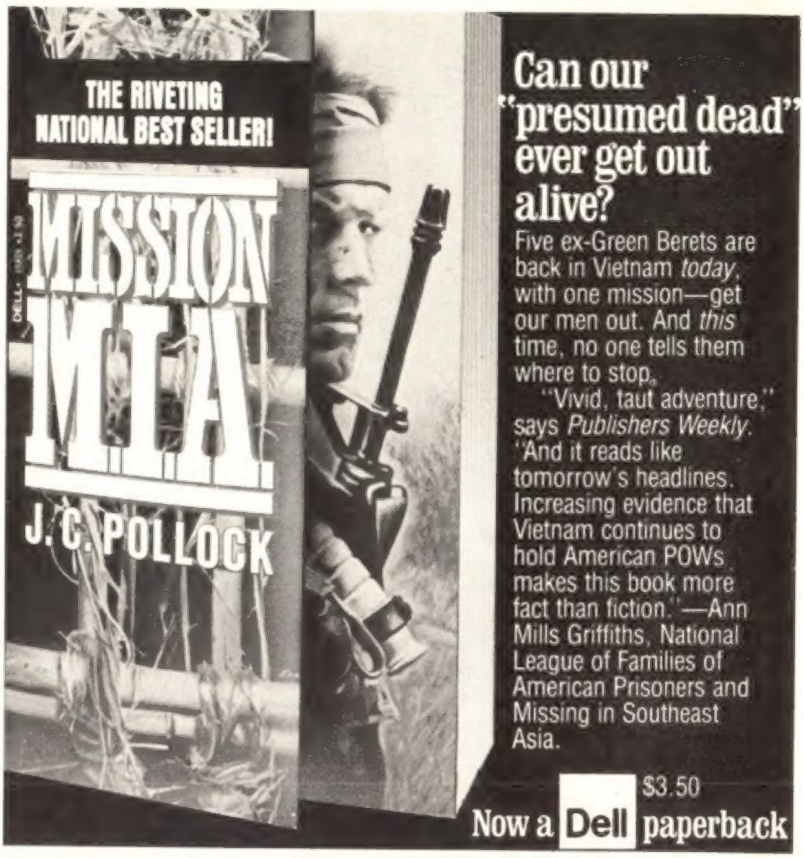
I disagree with your observation [Dec. 13] that President Zia's efforts to strengthen traditional Islamic values in his country have alienated the intelligentsia and students. I am a Pakistani student. My impression is that most of my fellow students approve of the process of Islamization.

Ghulam Jilani Malik
Ames, Iowa

Man at the Monument

It could be that Norman Mayer [Dec. 20], who was protesting nuclear weapons, died in a more sane and humane way than the rest of us will.

Charles A. Gilmore
Harrisburg, Pa.



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Letters

Even an emotionally disturbed man like Mayer can perceive that Dense Pack and the MX are not the antidotes to the world's unrest.

Donald J. Schultz
Winnipeg, Man.

Shooting at a truck that is supposedly filled with 1,000 lbs. of TNT is no less an "irrational gesture" than trying to save millions of lives by protesting nuclear proliferation.

Jil Robbins
New York City

Gray with an *A*

TIME ran the wrong photo of Robert Grey [Dec. 20], who has been nominated as deputy director of the U.S. Arms Control and Disarmament Agency. The man in the picture is me, Robert K. Gray, chairman of Gray & Co., public relations.

Robert K. Gray
Washington, D.C.

Home Sweet Home

Recently I moved to a new job where the coldness of urban life made me want to run back to the warmth and comfort of home. Then I read your Essay, "Why There Is No Place Like It" [Nov. 29], and decided to stay. The thought of having a home to return to is enough motivation for me to become a success here.

Wale Okediran
Lagos, Nigeria

Ulster's Troubles

The atrocity at the Razzmatazz discothèque [Dec. 20] once again points up the solution to Ireland's problems: the British must go!

Jack W. Calve II
Edwardsville, Ill.

Unfortunately, a minority sect in Northern Ireland thinks Ulster should be part of the Irish Republic. This group bases its arguments on events that took place hundreds of years ago. A sense of history is no excuse for the murder and mutilation of innocent people.

Raymond C. Hope
London

The people of the Republic of Ireland who desire peace and reconciliation with their neighbors in Northern Ireland would be grateful if the misguided Irish Americans would cease contributing money to fund the mindless terrorists on this island.

Francis Farrelly
Dublin

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American Scene

In New York: A Deb Sings at Xenon

The winter light is already dim, and in a Manhattan café the blond girl is squirming in her seat, dying for a smoke. The cigarette machine is broken. "This is like a *joke*," she says, annoyed, and leaves her plate of eggs Benedict to bum a Marlboro from one of the other diners. Smoking happily at last, she gives a quick account of herself, sounding bored beyond her years. She dropped out of high school four years ago, at 15, and has no job and no firm idea of what she will do next. She likes to stay up until all hours of the night in this or that nightspot, especially Xenon, a voguish discothèque off Times Square. If she seems jumpy this afternoon, it is because tonight she is going to Xenon not to dance or just mingle but to sing, in front of hundreds of paying customers.

This is a glamour girl in the coyote fur coat, an American aristocrat, the god-daughter of the Duke and Duchess of Windsor. Cornelia Cochrane Churchill Guest, 19, the youngest child of a socially prominent family, grew up on Long Island and in Palm Beach and New York City. She spent 1982 as a debutante, and all year long the New York gossip journalists mentioned her in print, often dusting off a quaint epithet: deb of the year. "I don't get tired of it," she says, having finished her eggs and her Tab and three more cigarettes cadged from a waiter. "I'm honored. It's fun. It's wonderful. I'm having a wonderful year."

Why her? Why now? Not because she is the prettiest or cleverest or most accomplished of her debutante crop. She admits that she was deemed ultra-deb partly by default: while her peers went off to college, Cornelia stayed in New York City and spent her time at stylish parties, wearing couture dresses. "Reading books for four years is an excuse not to work," she hazards, "unless you're going to be a plastic surgeon or something." Cornelia earned her high school diploma at home, by mail. "I have an education," she says. "I can add and subtract and read."

She is learned enough, anyway, to understand that her debutante splash would have been unthinkable only a few years ago. But these days it is once again fashionable to flaunt the traditional, frivolous perquisites of wealth and class. Fortunately for Cornelia, the *Zeitgeist* turned conservative just as she came of age. "Debutantes . . ." she sighs. "It's a wonderful tradition. I'm glad it's coming back more and more now, not like in the '60s." Cornelia was born on Thanksgiving Day 1963, six days after President Kennedy was killed. "During the '60s, there were all those revolutions and things, and I guess that now people want to dress up and feel good about themselves. And look good and go out to nice parties and eat good food and have nice things to drink and look pretty and be attractive, instead of having long hair and blue jeans and all that." She is aware of some of the cyclical ironies. "It's funny that all throughout history, every time debutantes have made a comeback, it's been when the country has been in recessions." Guest is thinking, in fact, of the final years of the Depression, when her mother, the former Lucy ("C.Z.") Cochrane, now 62, made her extravagant debut in Boston.

Cornelia Guest performs amid fake snowfall

A year after C.Z. came out, Brenda Frazier became "America's No. 1 Glamour Deb." Her name and photograph were everywhere during 1938, including the cover of LIFE, and there was a backlash: people would sometimes hiss when she walked into a restaurant. Frazier died last May—after a nervous breakdown, two marriages and a notoriously messy liaison with a titled Italian playboy—still bitter about her overwhelming deb year. "Brenda Frazier was my parents' friend," Cornelia says. "So sad. But I don't want to read about her until I get older."

It was also during the 1930s that debutantes began making larky plunges into show business. Between her debut and her marriage in 1947, Cornelia's mother was briefly a Ziegfeld Girl and a Hollywood starlet with a studio contract. In New York City, café society was paying to hear debs sing at the Waldorf-Astoria and Plaza hotels, as well as at a West Side nightclub called La Place Pigalle.

Xenon, chic and slightly battered, is Cornelia's latter-day West Side joint. One of her six best friends, Howard Stein, 40, runs the place. The other five best pals: her mother, brother, one of her two agents—Cornelia hopes to model and endorse cosmetics—a movie producer, and Stein's wife, Tawn, 32. This afternoon Stein is explaining how to sing "these soulful songs with percussive interludes." Tonight is to be Cornelia's second public performance as a rock-'n'-roll singer. Last fall she stood up and sang a tune or two at a Xenon party ("People *begged* me not to go on"), but this will be a full-fledged set, a "Rock-'n'-Roll Christmas Concert." Cornelia even has a crib sheet written out in pencil and propped up near the microphone in case she forgets how to sing her rock rendition of *Frosty the Snowman:* "Thumpety thump-thump, thumpety thump-thump, there goes Frosty!"

Onstage with her will be a handsome group of other young Xenon habitués. Several are foreigners, and Stein, who brought them together, provides some background: Julio Santo Domingo is a Colombian "whose father runs Avianca Airlines," Giora Rachminov is an Israeli "who does diamonds," and Mimmo Ferretti is the son of a Milanese clothing manufacturer. Ferretti is a last-minute replacement for Baron Roger de Cabrol, who is sick. "We wanted to call the band Eurotrash," Stein says, "but, instead, they're called the Greencards." He is grinning: a green card is the Government document issued to resident aliens.

The hullabaloo is more than just fun, by Cornelia's reckoning. "I think it shows such an accomplishment that kids like us can get up and do this," she declares. "Everyone says, 'All they do is party all night.' Well, this will prove we can get up and pull ourselves together and perform and do something that people can be proud of and enjoy."

Watching her final rehearsal is Roberto Riva, Cornelia's boyfriend of a year. Riva, 42, is a dapper real estate speculator whose Italian parents raised him in Peru. "I think she is great, fantastic," Riva says, snapping photo after photo of Cornelia in her silver jacket and leather pants. "Very fantastic. We have a vanguard, you know?"

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American Scene

The crowd descends in taxis and limousines after 11 p.m., some 1,000 at $12 apiece. They are very young, quite a few under 18, but most of the boys are in black tie and the girls are in gowns: the Gold and Silver Ball, an annual gala for the New York prep school set, is just breaking up a few blocks east.

Backstage, Cornelia's principal costar swings in: Maura Moynihan, 25, a Harvard graduate and only daughter of New York's Democratic Senator. Maura has pursued a rock-music career with some seriousness, and works full time at Rupert Murdoch's New York *Post* as a gossip reporter. Both girls are swaddled in red. Out front, Cornelia's mother C.Z. has arrived, dressed in black. C.Z. is a gardening columnist for the *Post*.

The show begins shortly after midnight and lasts half an hour. Cornelia's syrupy voice might, with training, resemble Teresa Brewer's. The band sounds terrific. That is, the four professional musicians (two guitarists, drummer and pianist) Stein hired to play in the shadows downstage sound terrific. Two of Cornelia's friends strum soundless guitars at center stage, faking the struts and grimaces of rock stars. Cornelia seems like a bashful cheerleader, smirky and proud and a little unsure. The last of the eight songs is *Satisfaction*, which Cornelia's friend Mick Jagger recorded with the Rolling Stones in 1965, when she was an infant. "Wasn't it a great moment?" says Stein of the finale.

Afterward, Maura Moynihan, in her leather miniskirt and cowboy boots, scrambles straightway to the top of an 8-ft.-high pedestal and works off her postperformance nervous energy by go-go dancing. Cornelia, all smiles, steps off the stage to be kissed and congratulated by her mother and brother, by Roberto, by Fashion Photographer Francesco Scavullo, by one of her agents and by half a dozen trim, middle-aged men in business suits who have been buzzing around C.Z.

For the next couple of hours Cornelia sits up high on the back of the banquette that she and her friends always occupy at Xenon, scanning the crowd. She drinks champagne (Moët & Chandon) and flicks Marlboro ashes from her pretty taffeta dress (Fabrice). Some time after 3 a.m., she leaves with Roberto for another discothèque, Studio 54, and stays there until 4.

A day later, there is a photograph of Cornelia in the *Post*, with a caption certifying again that she is "deb of the year." But that night at the Waldorf-Astoria Hotel, 77 new girls were presented to society at the 47th annual Debutante Cotillion and Christmas Ball. Reading of them, the deb of the year must have felt an end-of-the-ball shiver. "If the press and everybody stop paying attention to me, I'll roll with the punches," Cornelia says. "If they stop," she adds with a giggle, "I'll just say, 'Well, I'm boring now.' " —*By Kurt Andersen*

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Lack of funds caused work to stop last August on Interstate 15 near Nephi, Utah; a parallel highway, known to local drivers as "Nephi Death Strip,"

TIME/ JANUARY 10, 1983

The Repairing of America

Deteriorating roads, bridges, dams and sewers finally get some attention

When Ronald Reagan returns to Washington this week from his holiday vacation in the West, one of his first acts will be to pick up a pen and sign a bulky document. On the same day, a telecopier machine at the Department of Transportation 16 blocks away will simultaneously dispatch a 6½-page message to the 50 states, telling each how much federal money it can spend from the new 5¢-per-gal. increase in the gasoline tax. With that, the rebuilding of America will symbolically begin

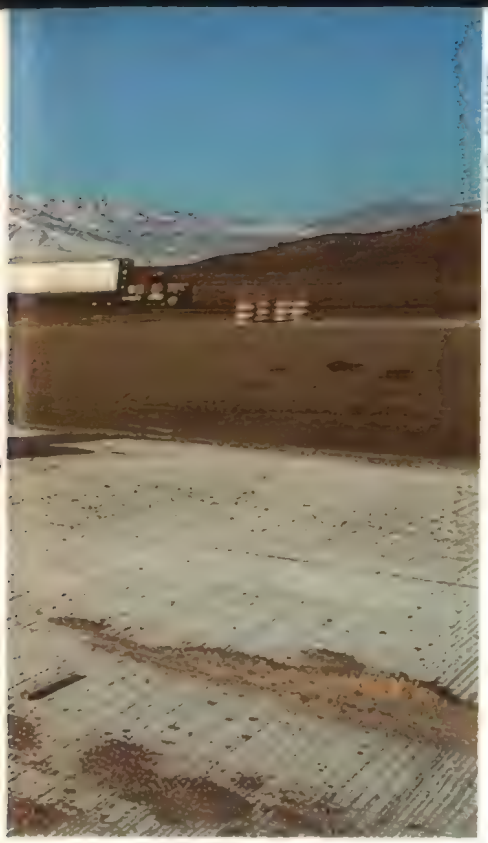
The bill signed by Reagan will provide $5.5 billion on top of the $11 billion already in next year's budget to check the perilous deterioration of the nation's highways and mass-transit systems. While the dollar total sounds impressive, it actually amounts to little more than a federal finger in the fragile dike holding back a tide of decay that threatens to overwhelm the country's neglected network of roads, bridges, dams, rails, water and sewer pipes. The erosion is so far advanced that Amitai Etzioni, director of the independent Center for Policy Research in Manhattan, warns that the U.S. has become "an underdeveloping country, with its modern economy in reverse gear."

Passed by the lameduck Congress and funded by sharp hikes in fees paid by trucking firms as well as the gas-tax hike (to 9¢ per gal.), the legislation marks an important shift in the way America regards its once matchless physical plant. For decades, politicians at every level of government tried to impress constituents by throwing available funds into dazzling new public facilities: a Faneuil Hall shopping mecca in Boston, a Lincoln Center cultural complex in Manhattan, a Gateway Arch over St. Louis, as well as fresh brick school buildings, downtown malls and late-model firetrucks and police cruisers almost everywhere.

Meanwhile, sewers and water mains rotted below ground, highways cracked under the pounding of 18-wheel semis weighing 40 tons, and steel bridges rusted into dangerous disrepair. Politicians looked the other way. Says Adriana Gianturco, director of California's department of transportation: "Nobody cuts a ribbon over a pothole that's been fixed."

Even now, when the extent of the problem is widely recognized, skeptics doubt that there is a genuine national commitment to spend anywhere near the amount needed for an adequate repair job on the nation's roads and sewers. The immensity of the task inspires a sense of futility akin to that caused by the federal budget deficits. In Iowa, the cost of replacing sewer lines in cities where there are no separate storm drainage systems (and where sewage sometimes backs into the streets after a heavy rain) is so high that, says one small-town public works director, "nobody has even bothered figuring it up. We can't afford it anyway." Indeed, it took the recession's rising unemployment rate to attract bipartisan support for the gas-tax bill, which is supposed to create up to 320,000 jobs

Nevertheless, the public is coming to realize that any more delays will increase the cost of repair later, and even lead to unnecessary loss of life. Federal officials estimate, for example, that spending an added $4.3 billion on the roads and bridges most in need



remains a high-fatality road

of repair could save 17,200 lives and prevent 480,000 personal injuries over the next 15 years.

The list of gross deficiencies in the nation's structural underpinnings is long. TIME correspondents who talked to experts across the nation and surveyed their own regions came up with the following scary sampling:

Roads. Even the 41,369-mile federal Interstate Highway System, which has no equal anywhere, is going to potholes. More than 40% of its mileage has already exceeded its planned 20-year safe life. By 1990, three-fourths of the system will have passed that age. At the moment, 10% (more than 4,000 miles) is considered in need of immediate resurfacing. An additional 30% (12,000-plus miles) is rated in only fair condition, meaning that it is "barely adequate" to handle traffic at the 55-m.p.h. maximum speed. The even older 260,000-mile "primary" network of U.S. routes is no better off. According to the Congressional Budget Office, two-thirds of this system is in only poor or fair condition. The CBO places the price of the required annual upkeep at $2.9 billion.

A highway rated poor represents more than a safety hazard. It slows traffic and beats up the vehicles that use it. The Highway Administration has found that operating costs for an average car climb 35% when it uses routes rated poor rather than good.

The interstate highways fell into disrepair because the states eagerly accepted federal money (90% of the cost) to build them without realizing how expensive it was to maintain them. Incredibly, Congress did not vote a penny in federal funds for interstate repairs until 1976, when the system was already 20 years old, and routine maintenance remains a state obligation. Neglect at state and county levels is most obvious on the farm-to-market roads that are vital to agricultural production. As farms have grown larger, huge tractors, combines and cultivators are literally pulverizing these roads, which were built for much lighter loads. The family farmer who commonly hauled 100 bu. of corn to town has given way to corporate operators who use huge tractor-trailers for 1,500-bu. deliveries.

Soaring costs of labor and materials have aggravated the road problems. In Georgia, where the state is able to repair and properly maintain only 10% of its 18,000 miles of highways each year, maintenance costs have risen 42% since 1977. Just to put a 1½-in. layer of new asphalt on 2,000 miles of highway costs $60 million. Minnesota Transportation Commissioner Richard P. Braun contends that at present spending levels, the state will not be able to rebuild its 12,000 miles of trunk highways until the year 2354, at least three centuries too late. One 17-mile stretch of Highway 15 between New Ulm and Winthrop so angered a group of Minnesota motorists that they hired a hearse and jostled over the pitted surface with a sign declaring THIS HIGHWAY IS DEAD AND BURIED. A state-commissioned study in Louisiana found the roads so rough that the average driver wastes $97 a year in unnecessary gasoline costs. Illinois motorists pay an average $50 a year in new shock absorbers and front-end alignments necessitated by bumpy roads.

Bridges. A road, of course, is only as safe as its shakiest bridge. The Federal Highway Administration reports that one-third of the nation's nonfederal bridges and 10% of those built with federal funds are "structurally deficient." That means that 23% of the 574,000 bridges in the U.S. are considered safe only for cars and light trucks. Heavier vehicles have to be routed around them. The cost of repairing or replacing all of these marginally safe spans is estimated at $47.6 billion.

Aging bridges are particularly prevalent in Vermont, where a flood in 1927 swept away roughly half of the state's picturesque covered bridges. The steel spans that replaced them are past their expected life of 50 years, meaning that most are already in need of replacement. Meanwhile, loads across them are severely restricted. In the multiriver region of metropolitan Pittsburgh, 1,129 of the 5,000 or so bridges require repairs that would cost more than $1 billion. When loads over the Thompson Run Bridge in suburban Duquesne were reduced to five tons in 1978, the United States Steel Corp. had to detour its trucks for 26 miles, adding $1.2 million a year to its operating costs.

The frailty of New York City's antique structures was dramatized 18 months ago when a badly corroded cable broke loose from the 99-year-old Brooklyn Bridge and killed a Japanese freelance photographer. The city has provided only limited funds to replace the cables, which have merely been encircled with a band of steel so that when the next one pops, it will not mangle cars or pedestrians.

As with rural roads, the problem of obsolete bridges is most acute in areas too impoverished to replace them. More and more frequent is the sight of school buses stopping at creaking wooden bridges to let children walk across, then following behind to pick them up on the other side. In many cases, even this is risky for the driver of an empty bus. "We have a lot of ten-ton buses going across a three-ton bridge," says Clovis Fraser, a Georgia transportation official.

Dams. A bursting dam can be a mass kill-

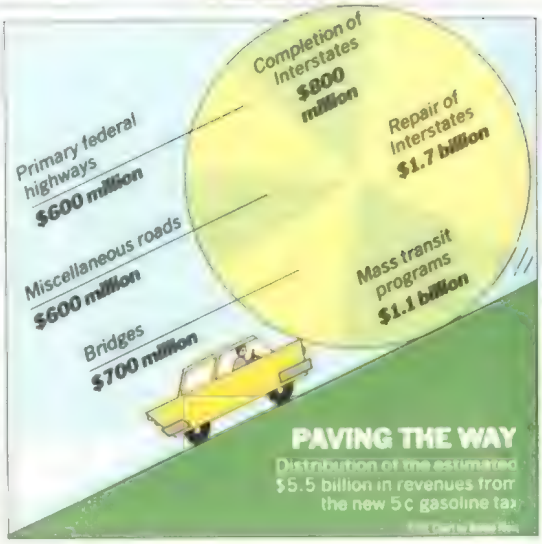
Broken guardrail is a hazard for trucks on I-35 bridge near Dallas

er. The U.S., by great good luck, has not suffered such a tragedy since Nov. 6, 1977, when an earthen dam in Georgia gave way after a 5-in. rainfall and unleashed a 30-ft.-high wall of water on Toccoa Falls Bible College, killing 39 people. But the danger remains. The Army Corps of Engineers classifies 8,794 of the nation's 65,500 nonfederal dams as unsafe.

When the corps inspected 252 Georgia dams after the Toccoa disaster, it placed 73.4% of them in the unsafe category. More than half of the 809 privately owned dams in five Southern states (Alabama, Georgia, Florida, North Carolina, South Carolina) also were declared to be unsafe. The corps is now studying six badly deteriorated dams near Columbia, S.C. If just one of them should fail, state engineers say, hundreds of people could drown.

In Southern California, eight dams in the San Gabriel Mountains were found to be vulnerable to earthquake tremors if their reservoirs were filled. To avoid that danger, water levels are kept low, even after rainstorms, when dam gates are opened. "We lose a lot of water to the ocean," says Jim Easton, an engineer in the district. In the low-lying Sacramento–San Joaquin Delta, a 1,000-mile system of dikes, made of sand and peat, has been sinking as the peat oxidizes. Six levees have collapsed since 1980, inundating some of the delta islands. The local water districts cannot afford the $1 billion needed to strengthen the system.

After heavy storms two years ago, the Salt River nearly topped Arizona's Stewart Mountain Dam, threatening to flood parts of Phoenix. State officials even feared a total collapse of Stewart. "We felt it was imminent," recalls Reid Teeples, a Salt River project official.



Sewers. The Environmental Protection Agency maintains that the nation must spend $119 billion by the year 2000 to handle safely a sewage problem aggravated by population growth and shifts. Even without providing for an anticipated 23% rise in population, $91.1 billion is needed for sewer repair and construction, as well as for upgrading sewage-treatment facilities. According to the EPA, it will cost $37.2 billion to separate the combined sewer and street-drainage systems that were installed by some 80 cities in the early years of this century. Communities that fail to do so face the prospect of having human waste flow untreated into rivers or even back up into basements. Robert Silvus, head of the waste-water section of the Texas department of water resources, describes the situation delicately: "There are parts of the year when our water is effluent-dominated."

In some cities wood-bottomed sewer lines built before the Civil War are rotting and breaking. Last August, one of them yielded to a rainstorm in St. Louis, producing a 30-ft.-deep crater that swallowed part of a tavern and blocked a busy intersection for three months. A sewer line in

Down a Ribbon of Highway

Throughout the 1960s, the Government marshaled extraordinary resources to accomplish a pair of Promethean feats. Americans were dispatched to the moon, and the country was overlaid with a brand-new web of nonstop superhighways. The space program remains a source of national pride. The Interstate Highway System? Most people take it for granted, except when they hit an unfinished stretch and find themselves rerouted along old, slow roads. Yet the Interstate has had a singularly profound effect on the way Americans live.

A comprehensive system of national highways was clearly necessary by the 1930s. In 1944, Congress, recognizing that a high-speed federal highway system had military value as well, made it eligible for federal funds. But the states were reluctant to pay their 50% shares. Finally, in 1956, at President Eisenhower's urging, the Federal Government got serious: 41,000 miles were mandated (1,944 more were authorized later), with 90% of the cost to be federally subsidized. Since then some $175 billion has been spent, and an average of 45,000 people have been working full time building Interstate highways. During the '60s, the system grew 40 miles a week.

More than 1,500 miles in 46 states remain unfinished. Some gaps have resulted from environmentalist victories. Highway planners in Memphis always assumed they would get permission to run Interstate 40 through the 342-acre Overton Park downtown, and so the road was built almost to its borders. Finally, however, the Department of Transportation decided against the park route. No one knows how or if the 3.5-mile gap will be completed.

In other cities, the Interstate went through unimpeded, but with ill effects. During the 1960s old oak trees lining Claiborne Avenue in New Orleans were uprooted to clear the way for Interstate 10. What had been a street known for its black professionals' offices became a seedy strip.

UPI

Eisenhower opens bridge over the Mississippi

Hamlets were cut off by the vagaries of Interstate routes. Along South Carolina's old Highway 301, prosperous towns like Olanta (pop. 700), eight miles off the new Interstate 95, quickly withered. Explains Mortician and Olanta Mayor J. Kelton Floyd: "In 1963, during one three-month period, we shipped 27 bodies out of state. Last year we didn't do one."

Perhaps just as many communities boomed, however, thanks to their proximity to the Interstate. Suburbs and then exurbs grew as the Interstates made possible long daily commutes. A nation of indefatigable cross-country travelers could thoroughly indulge its passion for movement. Still, this remarkable, concrete achievement rarely inspires pride or awe. A high-speed trip down an Interstate, its fringes bare of shops and homes, is seldom rich with incident. Life begins at the exit ramp. Rosemarie Clark knows; she maps travel routes for members of the A.A.A. in Topeka, Kans. Says Clark: "We get a lot of people who come in and say, 'No Interstates.' They want to see America." ■

Des Moines collapsed in December, sending 5 million gallons of raw sewage daily into the Des Moines River. The septic system in tiny Minersville, Utah (pop. 548), is so overloaded that some residents dump waste water from their sinks and showers into their backyards, using the septic lines only for toilets. Many of New York City's sewer pipes are a century old, and Joseph McGough, the city's commissioner of environmental protection, worries about an end to what residents have long taken for granted: "When they push the handle, it flushes away. It's like the sun coming up."

Water Lines. Much of the nation's drinking water is drawn from deep aquifers that are threatened by pollution from the seepage of chemical waste dumps. In 1980 Congress granted the national EPA the authority to clean up the dumps and a "superfund" to pay for such an operation. But the EPA's reluctance to act is needlessly prolonging the danger. Eroded pipes are leaking huge amounts of often scarce water. Boston and Pittsburgh lose 25% of their water to leaks. Philadelphia, St. Louis and Chicago spill about 15%, Kansas City 11%. Declares Pittsburgh Water Department Director Richard Cosentino: "The situation is chaotic and desperate. We need help."

Mass Transit. Urban bus and subway systems are generally fighting a losing battle to hold fares down and attract more riders. Lacking adequate revenues, their preventive maintenance suffers and service declines, driving away more and more passengers. Those with the means resort to private cars or taxis. And that, of course, only adds to the congestion on clogged feeder highways and city streets, speeding the deterioration of those overburdened facilities.

Perhaps no one is afflicted more grievously by these ills than the 475,000 people who commute daily into New York City from Connecticut, Long Island and suburban Westchester and Dutchess counties. Since 1978 the number of commuters forced to stand up throughout their rides on the lines serving Connecticut and Westchester has soared from 20,000 to 95,000 a month. Reason: on many days, up to a quarter of the 672 cars in the fleet were out of service for repair. After two 250-lb. wheels overheated and flew off moving trains on the New Haven line, the Federal Railroad Administration ordered that trains be stopped twice on the 73-mile run from New Haven to Manhattan so each of the wheels could be inspected. That has added as much as an hour to the 1 hr. 40 min. commute.

The money raised by the higher gas tax is, of course, what Washington Highway Lobbyist Donald Knight calls only "a spit in the ocean" in attacking this immense backlog of long-deferred repair and reconstruction work. It is aimed primarily at interstate and U.S. highway routes and secondarily at mass-transit systems. It will do nothing to prevent the further deterioration of eroding dams, obsolete back roads, leaking water pipes and overflowing sewage systems.

But it is a start. Lester P. Lamm, executive director of the Federal Highway Administration, speaks accurately, although perhaps unrealistically, when he suggests: "If the states, collectively, increased their highway funding to the same degree as the Federal Government, there would be enough money to take care of the highway problem." In fact, many states will have difficulty raising the 10% matching money required to qualify for the added federal funds. The states, moreover, have long been far more willing to raise gasoline and other user taxes and fees than has the Federal Government. From 1959 until it was finally hiked this week, the federal gas tax had remained at a meager 4¢, and in 1959 dollars had actually decreased to 1.4¢. Through all the years of relative prosperity, Presidents and Congress had given federal-highway users virtually a free ride.

The money raised by the nickel gas tax will be distributed according to a complex formula that tries to assess each state's need, population, land area and readiness to use the funds. Since the Department of Transportation works regularly with the states to determine highway priorities, plans for using the money are ready; no new bureaucracy is needed to disburse it.

Just how the first $5.5 billion will be targeted has already been decided. Mass transit will get $1.1 billion, partly on the sound theory that keeping more people off roads and streets helps reduce road-repair costs. States will get $1.7 billion for major resurfacing, repair and improvement of existing interstate highways. An additional $800 million will be used to build the last 1,575 miles of the interstate system, now scheduled for completion by 1990. The primary U.S. routes will get $600 million for major repairs. Bridges will be allotted $700 million for repairs, while the remaining $600 million will be devoted to highway safety programs and miscellaneous road projects.

Some critics argue that the nation's growing preoccupation with what engineers stuffily call its infrastructure is overblown. They point out that road contractors and other construction firms have put a great deal of money behind a lobbying campaign to focus attention on the problem. It is also true that some estimates of the total bill for such repair work seem plucked from the air. Pat Choate, co-author of *America in Ruins*, for example, puts the cost at $3 trillion.

But hype aside, the need for an enormous rebuilding program is undeniable. After decades of a "build and forget" policy abetted by irresponsible officials who were only too happy to hand on problems like maintenance and repair to their successors, the nation has no choice but to reorder its priorities and search for long-term funding. As Sociologist Etzioni has declared: "America had a big party that lasted 30 years. We overconsumed and underinvested, and now we have to pay the piper." —*By Ed Magnuson. Reported by Joseph N. Boyce/Atlanta and Jay Branegan/Washington, with other bureaus*

Eroded levee in California's Sacramento–San Joaquin delta

Ironic Trade-Off

When Congress passed the nickel gas tax, designed to save the nation's crumbling highway system, it offered a trade-off to the depressed trucking industry. To be sure, truckers will be paying more not only for fuel but also for user fees, which will balloon from $210 a year to $1,900 (in 1987) for the biggest rigs. But in return they will now be allowed to drive outsize double-trailer trucks on the full length of the interstate highway system and on most of the nation's 230,000 miles of "primary" federal and state roads. Previously, Arkansas, Missouri and Illinois barred the big rigs entirely, creating a mid-America roadblock.

The trade-off is ironic, since the double trailers—more than 75 ft. long, 102 in. wide and up to 80,000 lbs. in weight—are highway crushers. The Georgia transportation department estimates that one fully loaded big rig does as much damage as 4,550 cars. Moreover, federal studies show that the large trucks are not as safe as standard models because, empty or partly loaded, their wheels are more likely to lose contact with the road when brakes are applied.

A New Math for Nuclear Weapons

The question: how to counter Andropov's not-so-zero offer

Can there be a set of numbers between zero and zero-zero? It sounds like the most abstruse speculation in mathematics. But the math in this case is the potentially lethal calculus of nuclear weaponry, and so the question is leading to a backstage brawl in Washington.

At issue is what stand the U.S. should take when negotiations on limiting nuclear weapons in Europe resume in Geneva Jan. 27. Moscow's negotiators presumably will then formally present an offer already proclaimed publicly by Soviet Leader Yuri Andropov: if the U.S. cancels plans to deploy 572 single-warhead Pershing II and cruise missiles in Western Europe beginning in late 1983, the Kremlin will slash its own force of missiles targeted on Western Europe to make it equal to the number of launchers in the British and French forces. That would imply a reduction of 352 Soviet missiles. But only 72 of the 234 modern SS-20s trained on Europe would be included, and these could merely be moved into the Asian part of the U.S.S.R. and quickly brought back and retargeted on Western Europe in a crisis. The remaining 280 cuts would be single-warhead missiles that are obsolete and headed for the scrap heap anyway.

Andropov's plan has already been rejected by the U.S. and its allies as a deceptive response to Ronald Reagan's original proposal to eliminate all U.S. and Soviet missiles in the European theater. Initially known as the "zero option," this proposal has been rechristened in Washington the "zero-zero" plan. Said Reagan last week, with intense sarcasm: "The Soviets have met us halfway . . . they have proposed zero on our part."

Americans and West Europeans point out that the British and French forces are under independent national commands. In the event of a military showdown in Europe, these two nations might act in concert with Washington. But they could also rule out the use of nuclear force, in the hope of staying out of any conflict.

There is a sharp division of opinion in Washington as to how the U.S. negotiators in Geneva should be instructed to reply. The Pentagon counsels simply saying no and insisting on Reagan's zero-zero plan. Defense officials dismiss Andropov's bid as a mere propaganda ploy. They fear that if the U.S. makes a counterproposal, Moscow will ask European governments to delay installation of the American missiles while negotiations continue, then stall the talks endlessly, in effect blocking deployment of the Pershing IIs and cruises without yielding anything.

State Department officials are worried that the same thing might happen if the U.S. takes an unbending stance. In their view, the pressure of the European antinuclear movement will force governments that now want U.S. missiles to reject them unless Washington can show that it is making an all-out effort to achieve agreement with the Soviets.

Thus, the diplomats believe, the U.S. must indicate willingness to discuss something other than zero-zero and be ready with a counterproposal in case Moscow shows any give. Officials advocating a counterproposal say the U.S. should insist on two principles: 1) if the Kremlin retains any SS-20s targeted on Western Europe, it must agree to the installation there of an equivalent number of U.S. warheads (not just launching vehicles); 2) any SS-20s removed from this force must be completely dismantled.

Whether a U.S. compromise will be seriously discussed in the White House, let alone with the Soviets, is highly problematic. Its advocates must first sell their own boss, Secretary of State George Shultz. If he supports their recommendation and takes it to Reagan, he will probably wind up in a head-to-head struggle with Secretary of Defense Caspar Weinberger, who is totally committed to zero-zero. The compromisers have one major ally: Chief Negotiator Paul Nitze, who is threatening to quit unless he is sent back to Geneva with less rigid negotiating instructions.

One way out for the White House would be to instruct Nitze to reject the Andropov offer but press for clarification, explanation and possible modifications. That, however, would only postpone the hard decision on whether or when to make a counterproposal.

Meanwhile, there are modest signs of progress in the separate START negotiations, also in Geneva, on reduction of the strategic nuclear weapons that the U.S. and Soviet Union have aimed at each other. Edward Rowny, the chief U.S. negotiator, said last week, "The odds are probably fifty-fifty" that agreement can be reached during 1983. Reagan said his bargainers "feel that the Soviets are really negotiating in good earnest, so we're a little optimistic." Andropov, in writing to an American journalist, sounded a friendly tone and suggested a summit meeting with Reagan, an idea the U.S. treated warily.

Whether any real cheer is warranted remains to be seen. Meanwhile, the White House chose former National Security Adviser Brent Scowcroft to head a new commission that will study ways to deploy the MX missile. Other members will include three former Secretaries of Defense and, reportedly, Alexander Haig, who quit as Reagan's Secretary of State only six months ago. The study will presumably lead the commission into a broad review of the composition and strategy of all U.S. nuclear forces, whether or not agreement can be reached with the Soviets on limiting them. ■

DIRCK HALSTEAD

Reagan at demothballing ceremonies

Sitting Duck?

"I've had a strange feeling that I'm back on the set filming *Hellcats of the Navy*." Thus quipped Ronald Reagan last week at a scene reminiscent both of old-time Hollywood and of World War II: the recommissioning at California's Long Beach Naval Shipyard of the battleship *New Jersey*, launched in 1942 and now demothballed for a third time.

The venerable battlewagon is still awesome. Her 16-in. guns can hurl shells that weigh 2,700 lbs. each (the weight of a Chevrolet) as far as 23 miles. She has been fitted with Tomahawk and Harpoon missiles, some with nuclear warheads: the Tomahawk can hit targets 1,500 miles away. The ship will operate with an aircraft carrier battle group, including attack submarines, to defend itself against air and undersea assault.

Critics joke that the battleship is so vulnerable it should be renamed the U.S.S. *Sitting Duck*. The Navy insists that more than ten hits by nonnuclear Soviet cruise missiles would be required to put it out of action. Reagan, noting that the *New Jersey* had cost $326 million to demothball, called the ship "a shining example" of "the maximum cost-effective application of high technology to existing assets."

Signing Off

Lewis leaves the Cabinet

In a Cabinet more Early American in look and feel than Danish modern, Transportation Secretary Drew Lewis, 51, was a polished piece of work. An able and politically adroit administrator, Lewis scored points for his decisive handling of the Professional Air Traffic Controllers Organization strike a year and a half ago and his successful push for the federal gasoline-tax bill passed by Congress last month. But when Lewis outgrew his job, no other seemed soon in the offing. Admitted one top White House staffer: "He's felt underused."

Lewis is unlikely to feel underused in the future. Last week he resigned his $69,630-a-year post as Transportation Secretary, making him the third official to leave the President's original Cabinet (the other two: Secretary of State Alexander Haig and Energy Secretary James Edwards). On Feb. 1, Lewis will take over as chairman and chief executive officer of Warner Amex Cable Communications, Inc., one of the country's largest cable companies, which has 147 cable systems in 27 states. It is jointly owned by Warner Communications, Inc., and American Express Co. Said Lewis: "It is an appropriate time for me to return to the private sector. I have no political ambitions." Lewis' new job is likely to challenge all his administrative skills. Analysts believe that the company's prospects remain good, but the unexpectedly high cost of installing cable systems in its urban franchises have cut into revenues. Losses totaled nearly $20 million last year, and are expected to be around $40 million, or more, for 1982. Warner Amex is seeking an additional $100 million from banks

Industry analysts consider Lewis an excellent choice to turn the company's fortunes around. He founded his own consulting firm, Lewis & Associates, in 1975 and helped guide the reorganization of the ailing Reading Railroad into the Consolidated Rail Corp. (Conrail). In addition to his experience in capital ways, Lewis' value lies in his background as a corporate troubleshooter. Says Anthony Hoffman, a vice president of the New York City brokerage firm A.G. Becker, "His political reputation and skills will be an added asset when it comes to the hunt for new cable franchises, but what is really being relied on here is his business ability in what constitutes a turnaround situation."

By leaving now, Lewis avoids having to take sides in the bitter Washington debate likely to be fought over the President's troubled economic program The White House wants to announce a successor before Lewis cleans out his desk, and is giving serious thought to nominating Elizabeth Dole, assistant to the President for public liaison and the wife of Kansas Republican Senator Robert Dole. ■

The Presidency/ Hugh Sidey

Time to Make or Break

MATHEW B. BRADY COURTESY FREDERICK H. MESERVE

Abraham Lincoln: the tiredness inside

There was talk of impeachment in Abraham Lincoln's third year, and one Senator told of the President's possessing "an unhuman sadness." Lincoln confided to a friend: "The tired part of me is inside and out of reach." But that was the year he issued the Emancipation Proclamation, gave the Gettysburg Address, and realized General Ulysses S. Grant should lead his army.

During Richard Nixon's third year, with the Viet Nam War effort failing and inflation rising, there was speculation about his being a one-term President. His response was what became known as the "Nixon shocks." He devalued the dollar, imposed wage and price controls, and announced he would visit China.

In Thomas Jefferson's third year, his cautious efforts to resolve peaceably the control of the Mississippi River brought suggestions that he had lost his nerve and even his character. When France offered to sell the entire Louisiana territory to the U.S., Jefferson's envoys grabbed it, and the President joyfully endorsed the acquisition. Tragedy was transformed into triumph.

Jimmy Carter holed up at Camp David midway through his third year and proclaimed a national malaise. His remedy consisted of new energy programs and new Cabinet officers. Something stirred inside George Washington during his third year, and he left Philadelphia for two months on a tour of the Southern states, meticulously noting the beautiful belles he encountered along the way ("about 70" in Newbern, "62" in Wilmington and "at least 400" in Charleston).

Woodrow Wilson, desperate to avoid being pulled into World War I, awoke one morning in his third year to the news that the *Lusitania* had been torpedoed by Germany without warning and dozens of Americans had died. He had contended that the U.S. was "too proud to fight" and "so right" that it did not need to use force. Theodore Roosevelt had a word for Wilson's position: yellow. Wilson and America then were swept along by events.

And now Ronald Reagan faces his third year. History is never a perfect guide, but there does seem to be a tide that crests in the penultimate year of a President's first term. Providence plays a part, but so do more concrete factors. A President's programs often can be clearly judged in his third year. He is known as a person, his faults uncovered, and his strengths measured. The office has an effect: after two years it has either toughened or weakened its holder. Leaders of other nations have also had time to come to conclusions about the President and take actions that affect the U.S. Virtually all the pollsters, including Reagan's expert, Richard Wirthlin, believe that in the third year public opinion, the essence of power, often tilts irretrievably for or against a President.

Unlike Lincoln, Reagan does not seem tired inside. He still rejects Carter's notion of a paralyzing national malaise. The world does not view him as weak, though it often regards him as stubborn and ignorant. The prevailing wisdom among the fallible Washington seers is that Reagan faces more hazards in his third year than any recent President. His programs have not worked so far. An international banking crisis looms, along with rising fears about nuclear war.

A caution: the old clichés about silver linings in black clouds have some basis in historical fact. In turmoil and crisis there is opportunity. Intense challenge can inspire or overwhelm. Which way? Reagan has not said a word to his aides about the third-year mythology. No plans are being made to count beautiful belles in the Southern states. No troublesome territories are up for sale. Every indication is that long meditations at Camp David bore him. He would rather watch movies on a mountaintop. So we have fewer clues than usual to the crucial third year of the presidency. And we have a fascinating year ahead.

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An experimental storage facility 1,400 ft. underground in southern Nevada tests the effects of spent fuel on granitic rock

Too Hot for the Usual Burial

Tough compromises lead to a nuclear-waste policy

Arizona Congressman Morris Udall, a leading environmentalist, called it "a delicate fabric of agreements." An Atomic Industrial Forum spokesman acclaimed it "a masterpiece of compromise." Sierra Club Lobbyist Brooks Yeager noted, perhaps more accurately, "There's an awful lot of politics in this bill."

Whatever the Nuclear Waste Policy Act of 1982 turns out to be in history's eyes, it was not easy to achieve. Though it passed with bipartisan support in the waning hours of the lame-duck session and is scheduled for the President's signature this week, it required four years of tinkering in nine separate House and Senate committees to cobble together the 100-page bill. It authorizes the Department of Energy to find a permanent home for the 8,800 tons of toxic nuclear waste that have piled up since the dawn of nuclear power in 1957.

At the moment, this deadly garbage is housed in pools of water adjacent to the nation's 80 or so existing nuclear-power plants. By 1990, 15% of these ponds may be filled, and by the year 2000 an estimated 86,900 tons of spent fuel will be looking for a place to hide. The thorniness of the disposal problem was aptly summed up by one Senate committee aide: "We don't need to do it in my backyard," he said. "But we need to do it."

Specifically, the bill authorizes the design and construction of two repositories, 2,000 to 4,000 feet underground in rock formations stable enough to keep the deadly waste safe and dry for at least 10,000 years. The first site will be limited to a 77,000-ton capacity. The new law requires a procedure for site selection that is deliberately arduous, involving numerous reviews, full-scale tests, public hearings, environmental assessments and consultation with state and local officials. Then the President must recommend his final site choices to Congress—the first by 1987, the second by 1990.

Tough horse-trading shaped the final bill. Wisconsin Senator William Proxmire pressured the bill's backers to include an amendment permitting any Governor to veto siting of a nuclear-waste dump in his state unless majority votes in both the Senate and the House overrule him. Mississippi Congressman Trent Lott insisted on a population density-provision aimed at eliminating a potential site in his district from consideration.

Despite the compromises, the Reagan Administration was ebullient. "This is landmark legislation," crowed newly confirmed Energy Secretary Donald Hodel. The bill also cheered up the flagging nuclear-power industry, which has not had a new reactor order since 1978. Seven states in the past seven years, including California, have banned further construction of nuclear-power plants pending a legislated solution to the waste problem.

Environmentalists complained that the bill limits judicial review, glosses over technological difficulties and excludes various stages of site selection from tough environmental scrutiny. The bill does not endorse any particular storage technology, but the most likely approach will employ long, narrow metal canisters, to be loaded with spent fuel, embedded deep in the rock of large (2,000-acre) manmade caverns, then completely covered over. Aboveground, a typical waste burial site is expected to look something like a mining operation. The method of waste transport is also an issue unaddressed by the bill. The preferred mode is by train; the Energy Department claims success testing a 150-ton railcar cask able to withstand crashes and fires. In the lengthy saga of nuclear-waste disposal, acknowledged a spokesman for the Atomic Industrial Forum, a trade group for the nuclear industry, "transportation could be the next big issue." Said David Berick of the Environmental Policy Center: "One of the reasons the bill went through was because people were just tired of working on it." ■

In and Out of the Wilderness

Watt angers conservationists, then surprises them

One step forward, one step back. It was that kind of week for James Watt, President Reagan's controversial Secretary of the Interior. First, his department announced plans to lift wilderness protection from more than 805,000 federally owned acres in ten Western and Southwestern states, possibly opening the land to various forms of development. Then, in a move that some conservationists dismissed as more symbol than substance, he laid to rest his longstanding intention of issuing oil and gas leases in existing wilderness areas.

The Interior Department announced its decision to drop wilderness protection for the 805,000-plus acres less than a week after a weary Congress had adjourned for the holidays. The timber, mining and petroleum industries applauded. Conservationists and some Congressmen called the timing contemptible. The announcement, snapped Ohio Democrat John Seiberling, chairman of the House Subcommittee on Public Lands and National Parks, was "a deliberate attempt to evade the law."

The decision directly affected about 3.4% of the 24 million acres on Interior's wilderness "study list," lands temporarily protected from development while the department examines them for inclusion in the federal wilderness system. But after recent administrative reviews of this inventory, Interior Solicitor William Coldiron recommended dropping protections for three types of land: parcels of fewer than 5,000 acres (total: 340,526 acres); "split estates," where the Government owns the surface rights but not the mineral rights (total: 464,975 acres); and areas adjacent to wilderness sites (70 parcels of undetermined acreage in nine states).

Watt later surprised environmentalists by declaring he would issue no more drilling leases in 200 million acres of wild land, even though the law technically permits him to do so during the last three months of this year. As it happens, the lands will be exempt from leasing anyway when a congressionally imposed moratorium takes effect Dec. 31, 1983, and Watt's previous attempts at lease issuance have met with strong resistance on Capitol Hill. Admitted the Secretary: "It is not worth the political hassle." ■

Miami's New Days of Rage

Racial violence flares again

Johnson

The year-end madness in Miami is usually happy and carefully orchestrated, a prelude to the Orange Bowl parade and the big college football game itself. But the madness in Miami last week was grim and unexpected. Three days before the floats and marching bands rumbled up Biscayne Boulevard, the down-and-out Overtown section, just five blocks south of the parade route, erupted into spasms of street combat after a young black man was killed by police. By the time the pillaging and mob assaults ended, a second person had been killed by police, more than 25 people had been injured and 45 more had been arrested, mainly for looting. The disturbances lasted for three days but were minor compared with Miami's 1980 Liberty City riots, in which 18 people died. Said Police Chief Kenneth Harms: "It is a tragic situation, but not a major circumstance."

The Overtown violence began at a neighborhood video-game arcade on 14th Street. Tall, skinny Nevell ("Snake") Johnson, 20, was playing a game called Eagle after work. Just past 6 p.m., two uniformed Miami policemen, Luis Alvarez, 32, and Louis Cruz, 22, came in on their own to scrutinize the place and its 30 patrons, almost all of them young blacks.

Alvarez claims he saw and asked about a suspicious bulge under Johnson's shirt at his waist. Johnson is supposed to have answered, "That's a gun." According to Harms, "The officer placed his left hand on the gun and with his right hand drew his own revolver." Johnson then "made a sudden move." Alvarez fired his .38 point-blank into Johnson's face. The young man lay in a coma for 24 hours, then died.

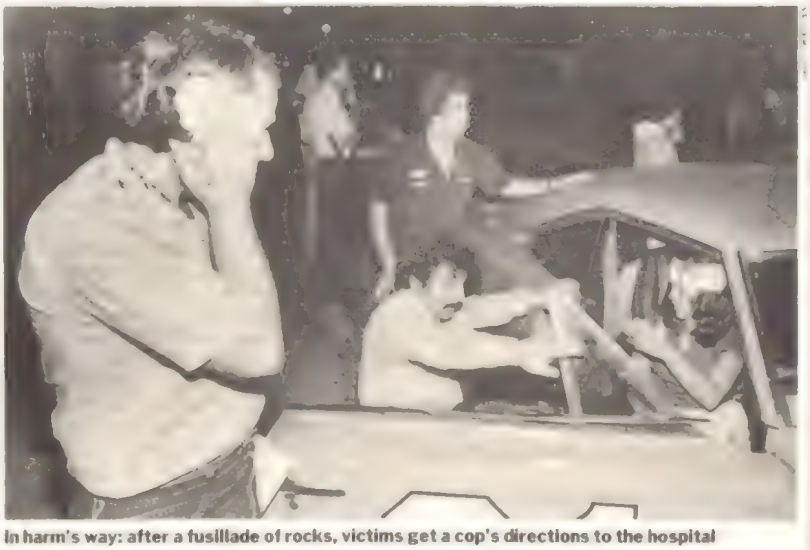
Johnson's cousin by marriage, Marvin Brown, 23, was a few feet away. "Snake made no resistance at all, none," Brown insisted. He agreed with the police, however, that Johnson was carrying a pistol.

Why? By all accounts, Johnson was popular, hard-working and conscientious. "He wasn't the type of kid who robbed or stole," says Joseph Dames, 35, an employee of the 14th Street video arcade. "He was a real sweet kid, the kind who would say, 'Yes, sir.' " When Nevell Sr., a moving man, was injured three months ago, Nevell Jr. became the family's breadwinner. He earned $910 a month as a Dade County government clerical worker.

Alvarez, who was a car salesman until he joined the Miami police in 1981, has prompted many complaints from Miami citizens and five departmental investigations. Cruz, his partner, graduated from the police academy only last month. Both men were transferred to desk duty.

Fighting mad: youths scramble to attack a motorist making a high-speed retreat

Street-corner society: residents amid the combat wreckage of down-and-out Overtown



In harm's way: after a fusillade of rocks, victims get a cop's directions to the hospital

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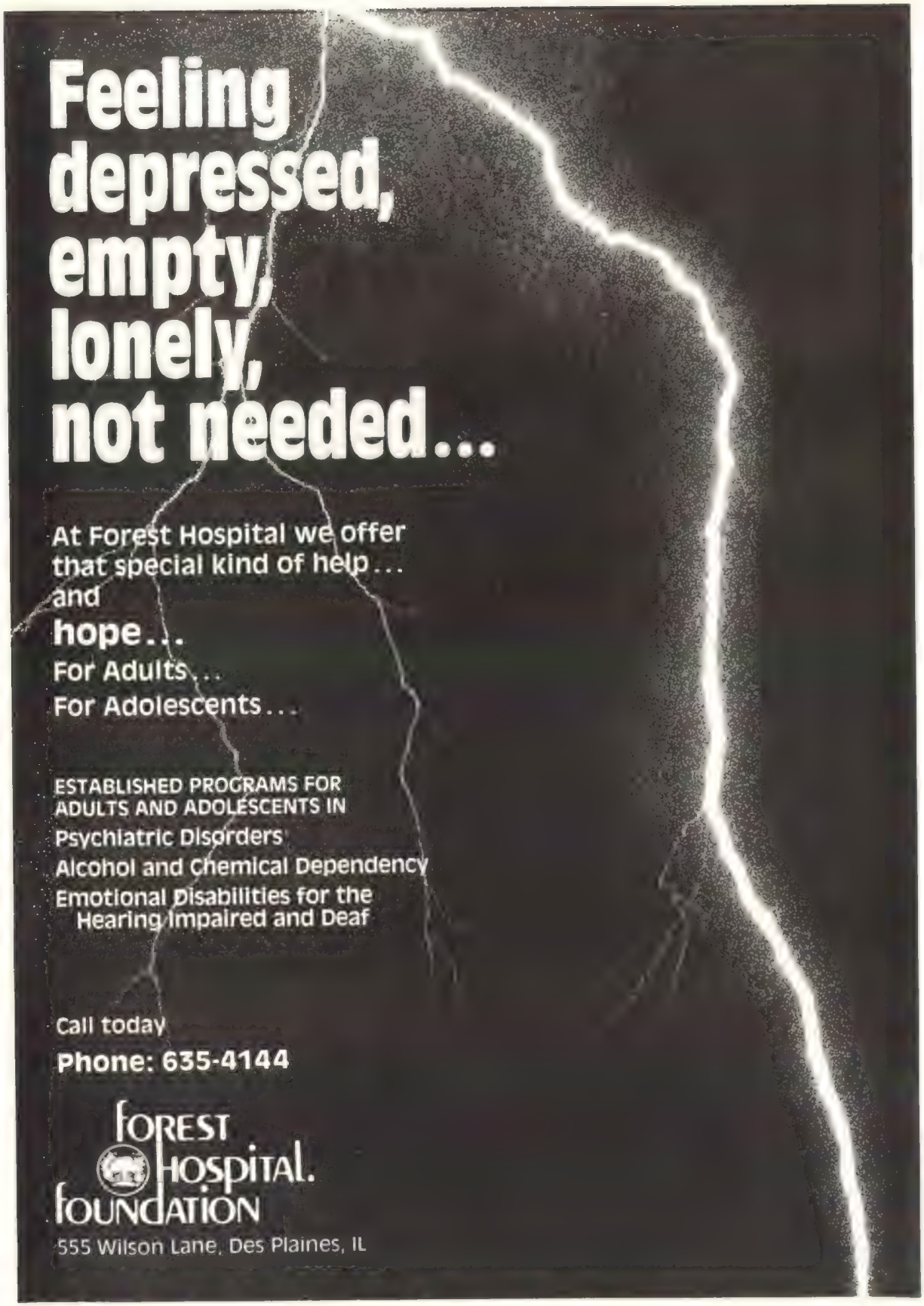
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while the city and the FBI investigate the shootings.

Almost as soon as Alvarez fired on Tuesday night, word of the shooting raced through the dark streets of Overtown. First the police car out front was torched. More police poured into the compact neighborhood, home to 4,500 people, most of them exceptionally poor blacks. Greeted with stones and bottles, then occasional gunfire, the police responded by firing tear-gas canisters. Within hours two more police cruisers were trashed, then a van and passing private cars, a meat market and a liquor store.

The two-square-mile heart of Overtown was sealed off, reopened, then closed again. Police helicopters hovered overhead. On Wednesday, with the neighborhood edging toward a full-fledged riot, 250 police, most armed with shotguns, swarmed in once again. Many acted indiscriminately: one shopkeeper was clubbed and another was mauled by police dogs. The mobs they faced were amorphous, but sometimes 500 strong.

In one crowd of 100 impromptu guerrillas, the cry went up: "Let's go to the Interstate! Let's go to the Interstate!" The young blacks jogged toward Interstate 95, but Miami police cut them off, firing bullets overhead and tear gas. Some rioters made it to the expressway anyway. As they threw stones at panicked motorists, other blacks frantically tried to warn drivers away from the assault zone.

A more savage scene was played out on 14th Street. A gang pulled one white from his car and beat him unconscious. Then a young black woman lunged forward and slit his throat with a pocketknife. The victim, Dan Murek, 48, miraculously survived. Rosemary Usher Jones, a local judge, tried to keep driving after a concrete chunk smashed her car window, but was soon hemmed in by the mob. Said Jones, 53: "They ripped my rings off my fingers." She was pulled to safety by two black girls and by Willie Watkins, owner of the 14th Street video arcade, where the violence had begun.

Johnson's death seemed patently unjust to the rioters, and not unprecedented. Last fall, in two separate incidents, local blacks were allegedly shot to death by white policemen, one of whom has been indicted. Blacks were all the angrier that the policeman who killed Johnson was Hispanic, like 39% of the 1,039-person force. Only 17% of the city's policeman are black. Said Miami Urban League President T. Willard Fair: "Blacks already believe that Cubans have gotten preferential treatment at our expense."

In the aftermath of last week's explosion, inquiries will be conducted, reports written, concern shown. Rioters and police will have their respective apologists. This Saturday, Jan. 8, Nevell Johnson Jr. will be buried. A funeral any earlier, his family and Miami city officials agree, would risk stirring up trouble once again. —*By Kurt Andersen.*

Reported by William McWhirter/Miami

The "River Rats" Want to Stay

The troubled town of Times Beach copes with a dioxin scare

EPA workers test Times Beach soil for dioxin

Ira Bennett puttered about his yard, cleaning up debris and casting watchful glances at the still rain-swollen Meramec River across the road. "I don't know what to think about dioxin," said the 60-year-old construction worker. "I've lived here for 13 years. The birds are still flying, dogs are still running around." Then he bent over to turn up a strip of plywood, revealing a colony of worms in the dirt. "See there. If something was wrong, do you think they'd still be living?"

Bennett and the other residents of The town (pop. 2,000), a Missouri hamlet 25 miles southwest of St. Louis, are confused and frightened. In recent weeks they have been hit with a one-two punch that leaves them wondering where to turn next. First, on Dec. 5, the waters of the Meramec swept through the town in the worst flood in Times Beach's history. The town, which sprang up in the 1920s as a summer resort and later became a permanent working-class community, is now a picture of near desolation. A muddy brown film coats the small clapboard houses and trailer homes, many of which are ripped apart. Stoves and pieces of carpet sit in yards. Piles of trash and decaying food are heaped everywhere. Many of the 800 families are homeless

Then, two days before Christmas, the Federal Government released Environmental Protection Agency findings that oil mixed with the deadly poison dioxin, sprayed on unpaved streets a decade ago as a seemingly harmless means to hold down dust, had left dangerous concentrations of the chemical in the soil. But since the EPA samples were taken before Dec. 5, it is still unclear whether the flood waters washed away much of the chemical, making Times Beach safer, or unearthed more dioxin, spreading it throughout the town. The EPA plans new tests, scheduled for this week.

At a town meeting last Tuesday with state and federal politicians and health officials, Dr. Henry Falk, an epidemiologist with the federal Centers for Disease Control, advised residents who had left Times Beach after the flooding to stay away. He told those who had returned to avoid exposure to soil and debris until new tests were completed. Falk said that scientific studies with animals show that dioxin, an acutely toxic substance that is produced as an unwanted byproduct in the manufacture of herbicides and other chemicals, can have extremely adverse effects on the skin, liver and immune system. Many of the residents attending the session told Falk about persistent rashes and other medical ailments that may be related to dioxin pollution. Said Falk: "It would be difficult to overstate the problems here." There are at least 15 other sites in Missouri believed to be contaminated with the chemical.

Despite Falk's concern, many of the spirited residents, or "river rats," as they call themselves, were busy last week cleaning and rebuilding, helping one another with fatalistic good humor. In the makeshift emergency center sits a tiny bronze trophy with a paper sign: "1st place, Times Beach, highest contamination of dioxin award for bravery." Many residents, reluctant to desert the town, plan to wait to see if the Government will provide relocation funds, as it did for the residents of Love Canal in Niagara Falls, N.Y., which was also polluted with dioxin. "I have no place else to go," said former Mayor Charles E. Yarbro. "Relocation and a second mortgage—I couldn't handle it. Nobody could."

While the townsfolk seem undecided about leaving, they are unanimous on one point: their outrage at the Government's handling of the chemical-pollution scare. Said 30-year Resident Evelyn Zufall: "They should have known more before they came to us and disrupted our lives." The townsfolk seem dubious about Government promises. Said Leonard Massey, organizer of an auction to raise funds for residents: "Do it yourself. Don't let the Government do it for you."

Still, Patrick J. Breheny, regional director of the Federal Emergency Management Agency, said the agency is setting up some temporary housing in mobile homes. He suggested that the Government may provide permanent relocation for residents once money to clean up the town is made available. ■

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Paradise Lost

No Pulitzer for Roxanne

The tone of His Honor's 19-page ruling was almost as undignified as the sex-centered Palm Beach divorce trial over which he presided. After listening for 18 days to conflicting tales of adultery, lesbian trysts, incest and drug use, Florida Circuit Court Judge Carl Harper, 55, ruled on the demands by Roxanne Pulitzer, 31, that her husband Peter Pulitzer, 52, pay her a reported $144,000 a year in alimony and child support, give her their $1.5 million estate and custody of their five-year-old twins, Mack and Zack. Terming the demands exorbitant, Harper said they reminded him of the hit song by Country Singer Jerry Reed, which protests: "She got the gold mine, I got the shaft."

Judge Harper decided that the latter should go to Roxanne, who was unemployed and living in a mobile home before she married Pulitzer, grandson of Newspaper Publisher Joseph Pulitzer, seven years ago. He ruled that she had "continuously engaged in adultery and other gross marital misconduct." Indeed, testimony indicated that she had slept with a Palm Beach real estate salesman, a French baker, a Belgian race-car driver and Jacquie Kimberly, beautiful wife of Kleenex Heir James Kimberly. The judge felt sorry for Pulitzer, he wrote, when he saw "the embarrassment, painful hurt and frustrating concern exuding from his doleful eyes and aging face." At the same time, "the wife nonchalantly sat at the table doodling on a note pad as though unconcerned." Later in the trial, the judge added, he was "somewhat relieved when the wife finally broke into tears . . . indicating that she was, after all, capable of human emotion and concern."

Trial loser

She has more cause for concern now. Harper awarded her only $2,000 a month for two years, a $7,000 interest in the Pulitzer yacht, a black Porsche, $60,000 worth of jewelry and $102,000 to pay her lawyer, who was asking $300,000. Pulitzer can keep his fortune, placed by the judge at $12.5 million, and take custody of the twins. After hearing the ruling, Roxanne took to her bed in tears. ■

Americana

Fly Now, Pay Later

Like many flight attendants, William Cohn, 30, of Miami, often took advantage of an airline practice called deadheading, in which employees hitch rides to work assigned flights in other cities. For almost a year, dressed in a Pan Am uniform, using an unauthorized ID number and traveling under the name B. Cohen, he jetted around the world on various Pan Am flights, virtually for free. As is customary, he usually pitched in to help the crew and even received letters of commendation from flight attendants and supervisors. But two months ago, a Pan Am security official, noticing that the airline's computer system had kicked out the name B. Cohen on a Miami-to-London flight as an unidentified employee, launched an investigation. On Dec. 23, the free ride ended for Cohn-Cohen when Dade County police arrested him in a Miami Pan Am office.

Cohn was charged with one count of grand theft, which carries a maximum sentence of five years in prison. "He infiltrated Pan Am," explained Detective William Sayers. "He made a good impression. He knew the language of the profession. He served meals and drinks and fluffed pillows." Despite an obvious aptitude for the job, one Pan Am spokesman was unimpressed. Said he: "I don't think we will have any plans to hire him."

A Neighborhood Goes to Pot

For weeks the area's residents had known that something odd was in the air. But they could not quite put their finger on it. Last week District of Columbia police did.

"The neighbors smelled it," explained a police officer, "and thought it was some kind of gas coming up through the chimney. So they called the gas company. The gasmen went there but couldn't figure out what it was. They called the fire department. The firemen couldn't figure it out. So they called us. We came out and said, 'We know what it is.' "

Police showed up at a brick duplex at 5306 Nevada Avenue, in the affluent Chevy Chase suburb of Washington. Inside were 151 lbs. of marijuana, worth about $500,000, stashed in 16 boxes. No one was home, but someone planning a drug sale had been stripping the marijuana leaves and burning the relatively valueless stalks in the fireplace. Later, three men and two women, all in their 20s, who had been living in the rented duplex for about a month, surrendered. Their cache, police said, was as first-rate as the $150,000 and $200,000 homes in the neighborhood. Said a police officer: "It was really good stuff."

For the Birds

When John and Donna Pflueger moved from Flagstaff, Ariz., to a remote national forest homestead outside the city last fall, their rustic life amid the ponderosa pine soon took on shades of vintage Hitchcock. "I have lived in remote areas all my life," said John. "But I've never seen anything like this before."

It all started when the Pfluegers' water supply turned an unsavory purple, and later black. John found that woodpeckers had drilled holes in the water tank's wooden top and dropped in acorn after acorn. After he drained the tank and shoveled out their stash, about 100 lbs. of acorns, scores of angry birds began slamming against the windows. "The birds did not seem afraid of anything," said Donna. "I'd scare them away but it didn't work." Not long thereafter, a meter reader noticed that the living-room window was smashed and called the police. Guns drawn, officers entered the house with John and found not a burglar but a hawk with a 2-ft. wing span perched in the living room. John Pflueger theorized that the hawk had been going after a woodpecker snack when it hurtled through the window. Things have been more peaceful of late, but the hawk and dozens of woodpeckers can still be seen, waiting, through the snow-covered boughs. Says John: "I feel a little goosy about the whole thing."

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AFGHANISTAN

A War Without End

Three years after the Soviet invasion, the guerrillas fight on

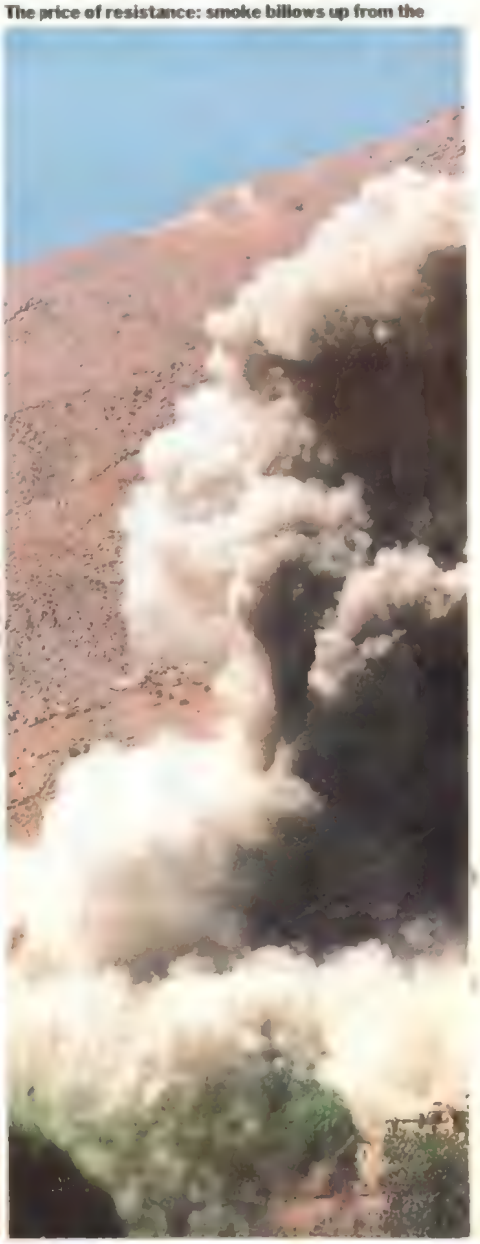
The anniversary was marked in a peculiar but strangely appropriate way. The 35,000 Soviet soldiers stationed in Kabul, the capital of Afghanistan, were put on the highest alert. Armored cars, their sirens wailing, raced through the streets as truck convoys dropped Soviet soldiers off at the main intersections. Roadblocks were set up every hundred yards or so, and citizens were stopped, searched and asked for their identification cards. Meanwhile, squads of soldiers went house to house, looking for high school graduates to fill the ranks of the unpopular and demoralized Afghan army. When the soldiers found a potential recruit, they would take him away at gunpoint. Says an Afghan exile living in New Delhi: "It is not what you would call winning the hearts and minds of the people of Afghanistan."

The Soviets, however, were not anxious to cause any trouble on the third anniversary of that cold day in late December 1979 when Soviet paratroopers landed at Kabul airport and began a prolonged, costly and so far unsuccessful campaign to control Afghanistan. Babrak Karmal, 53, the Kremlin's hand-picked leader, remains in power, but the Soviet Union's 105,000 troops have failed in rooting out the mujahedin, the ragtag but stubborn guerrillas who control most of the countryside. Neither side has gained or lost much ground over the past three years, and all signs point to a continuing stalemate. Although diplomats began to speculate last November that new Soviet Leader Yuri Andropov would try to find a face-saving compromise that would allow the Soviet Union to withdraw from its Afghan quagmire, there has been no evidence of that so far. Says a senior British diplomat: "No one is winning, and short of a decision by Andropov to extricate himself from the country, of which we see no meaningful sign at present, it could drag on for years."

The anniversary prompted a worldwide chorus of statements and demonstrations calling for an end to the Soviet occupation of Afghanistan. "The United States does not intend to forget these brave people and their struggle," President Ronald Reagan said last week. The Socialist government of French President François Mitterrand did not mention the Soviet Union by name, but it "denounced all foreign intervention in Afghanistan's internal affairs." West German Foreign Minister Hans-Dietrich Genscher was blunter, pledging support for "the Afghan people in their demand for freedom." In Tehran several hundred protesters marched outside the Soviet embassy, and in New Delhi hundreds of Afghan exiles demonstrated in front of the Soviet embassy, raising clenched fists and shouting, "Down with the KGB." Perhaps the harshest criticism came from China, where the official party newspaper, *People's Daily*, termed the invasion of neighboring Afghanistan "a grave threat to China's security" and called upon other nations to give "moral and

Guerrillas examine a Soviet plane shot down last month in Kandahar province

The price of resistance: smoke billows up from the



material assistance" to the guerrillas.

Accurate information on the situation in Afghanistan remains scarce. Foreign correspondents were forced to leave the country in early 1980, and since then very few visas have been issued to Western journalists. As a result, the world must rely largely on accounts by American and West European diplomats in Kabul. The diplomats admit that much of what they pass along is unconfirmed, while reports from the rebels are often exaggerated.

Still, it is generally agreed that the Soviets control Kabul and other major cities such as Kandahar, in the south, and Herat, in the far west. But the sniper fire that rings out at night in urban areas shows that the rebels can infiltrate even cities at will. The countryside, on the other hand, belongs to the mujahedin, and it is there that the battle is waged.

In many ways, Afghanistan is a casebook example of how a well-equipped, conventional army can be frustrated by small, mobile bands of guerrillas. The Soviets, like the U.S. in Viet Nam, try to pinpoint guerrilla strongholds and then launch search-and-destroy missions against them. But often the Soviets discover that the insurgents have in the meantime disappeared. Returning to their base, the Soviet convoys of trucks and tanks are susceptible to ambush by the mujahedin.

The insurgents arm themselves primarily with weapons they capture from Soviet and Afghan soldiers, but they also receive and buy equipment, such as AK-47 rifles from Pakistan, SA-7 missiles and grenade launchers from China, and bazookas and 60-mm mortars from Egypt. Although Washington refuses to comment, it is widely believed that the U.S. is funneling arms to the rebels through Egypt. In November, U.S. Secretary of State George Shultz accused the Soviets of using deadly chemical weapons against the mujahedin. As evidence, the State Department produced gas masks that had been found in Afghanistan and that carried traces of the toxic substances. Moscow vehemently denies all chemical warfare charges.

The Soviet army made some gains last winter, but during the summer the guerrillas returned to harass the Soviets in the province of Kandahar and in the verdant Panjshir Valley, about 40 miles north of Kabul. In two major offensives, the Soviets tried to trap the forces of Ahmed Shah Massoud, the onetime engineer who leads the largest group of guerrillas. Helicopters swooped down to drop off paratroopers, then joined MiG-21 jets in bombing the valley. Howitzers and rocket launchers bombarded the villages, and scores of tanks, led by the sophisticated T-72, rolled over the roads. The rebels withdrew to higher ground, then returned later to kill the Afghan army units left behind by the Soviets to hold the position.

Like David fighting Goliath, the rebels sometimes score astounding hits. Three weeks ago, members of an Islamic guerrilla force waylaid a convoy in the province of Kandahar, near the Pakistan border. When a Soviet plane came to the aid of the soldiers, the insurgents shot it down with a portable SA-7 anti-aircraft missile. As a Soviet helicopter whirred overhead, one of the mujahedin grabbed an AK-47 rifle and fired at the pilot. The bullet hit its target, and the chopper came crashing down.

The Afghan army has turned into a major liability for the Soviets. Since 1979, when the army consisted of 100,000 troops, large numbers of soldiers have deserted to the rebel side, and 15,000 to 20,000 more have been killed. Today only 30,000 soldiers remain in the Afghan army, and their loyalty to the Soviets is dubious. According to high Pakistani government officials, the Soviets have taken some 5,000 teen-age volunteers for extensive military training in the Soviet Union. The goal: to develop an officer cadre for a revitalized Afghan army that could presumably maintain control if and when Soviet forces pull out.

The rebels, who are estimated to number 100,000, also have substantial problems. They are split into half a dozen major factions. The mujahedin have been unable to unite under a joint commander, and sometimes they battle each other. "If the six groups could get together, they just might force the Soviets to rethink staying on in Afghanistan," says a senior Western diplomat in Islamabad. "But their infighting inevitably encourages the Soviets to hang on."

Moscow cannot subjugate Afghanistan without sending in more troops, 1 million in the view of Pentagon analysts. But neither do the mujahedin have the firepower or numbers to defeat the Soviet

Panjshir Valley during a Soviet bombing raid

The wreckage of a Soviet helicopter brought down as it tried to aid a convoy under attack

Mujahedin train with weapons in Kandahar

Rebels test captured Soviet detection equipment

army. That leaves the Kremlin two options if it wants to avoid an indefinite stalemate: escalate or pull out. There is no sign that the Soviets are prepared to do either.

Some of the mujahedin claim to have killed or seriously wounded up to 45,000 Soviet soldiers over the past three years, but U.S. defense experts estimate that the number is probably between 10,000 and 15,000. They say that even the higher number represents a tolerable level of casualties for a superpower like the Soviet Union, and that the current fighting could therefore be kept up indefinitely.

Nor is it certain how much the war is costing the Kremlin in economic terms. Some Western diplomatic sources believe that Moscow is forcing the Afghans not only to house and feed the Soviet troops but to pay for their own military equipment. That would leave Moscow only the cost of transporting men and matériel to Afghanistan. The Soviet Union may also be profiting from Afghanistan's natural resources: it has apparently tapped the country's water supply for Soviet farms in neighboring Uzbekistan.

Although similarities exist with the U.S. involvement in Viet Nam, there are also major differences. The Soviet Union, for one thing, is dealing with a neighbor, not a nation 10,000 miles away, and thus it is not plagued by long supply lines. More important, Moscow does not need to be concerned about domestic opposition to the war. Says a senior British official: "There has been no television coverage of the war in Afghanistan, so Moscow does not have to worry too much about what the folks back home are thinking."

Although Moscow initially was surprised at the fervor of the Afghan resistance movement, the Soviets may no longer be trying to crush the rebels. If the Soviet objective is to control the Afghan government, the major cities and the economy, as well as ensure that its neighbor does not fall prey to an Islamic revolution like Iran's, Moscow may have achieved its goals.

U.S. intelligence officials believe that Andropov would welcome a settlement in Afghanistan, but only on his terms. Shortly after the invasion, the Soviets cited their conditions for a political agreement: the border with Pakistan, which serves as the guerrillas' supply route for weapons, would have to be sealed tight; all foreign aid to the rebels would have to stop; and Pakistan and Iran would have to recognize the Karmal regime as the country's legitimate government. For his part, Pakistani President Mohammed Zia ul-Haq insists that Soviet troops first must withdraw, Afghanistan must once again become a nonaligned nation, and the 3 million Afghan refugees must return home. The likely scenario, therefore, is that the Soviets will continue to soldier through 1983, fighting the rebels when possible, press-ganging more Afghans when they can, and waiting to see whose side time is on. —*By James Kelly. Reported by Dean Brelis/New Delhi, with other bureaus*

Planting a mine on a road in Logar province

Rebel Leader Massoud leads his troops in prayer in the Panjshir Valley

DIPLOMACY

Warm Missive

Peking replies to the Soviets

It was hardly a love letter, but after more than two decades of rancorous relations, the message to the Soviet leadership on the 60th anniversary of the founding of the Soviet Union was remarkably warm. Expressing hopes for the gradual normalization of ties, the Chinese government urged both countries to "jointly work for the realization of this goal through negotiations, concrete actions and the removal of obstacles." Although the vaguely worded message promised nothing, it confirmed earlier signals that China was serious about improving relations with the Soviet Union. Says a top Washington analyst: "It is another step forward in the atmospherics."

The first step was taken three months ago, when Chinese Leader Deng Xiaoping agreed to resume consultations between the two countries after a frosty intermission of nearly three years. The Soviets, who have long hoped for better links with Peking, quickly responded. At Leonid Brezhnev's funeral last November, Soviet Foreign Minister Andrei Gromyko went out of his way to give his Chinese counterpart, Huang Hua, a cordial welcome. After a 90-min. meeting, both sides declared that they were optimistic about the future of Sino-Soviet relations. Said TASS: "The Soviet leadership is striving to move these relations onto the track of good neighborliness." Although Huang was replaced as Foreign Minister after his return from Moscow by Wu Xueqian, a former Deputy Foreign Minister, the switch reflected no change in policy.

The Chinese have long insisted on three conditions before ties could be improved: the Soviets remove some of their 49 divisions from Mongolia and the shared border; they withdraw from Afghanistan; and they end their support of Viet Nam's occupation of Kampuchea. Lately, the Chinese have hinted that they would be willing to settle for less. One possibility, which the Soviets may accept, is a token reduction of Soviet troops along the border. Agreement on that issue alone, Chinese diplomats now say, would be enough to allow the two countries to conduct serious negotiations on trade, thus sidestepping the difficult issues of Afghanistan and Kampuchea.

The slowly thawing relationship is the result of a shift away from China's isolationism. In flirting with Moscow, the Chinese hope to exert some influence over Soviet policy, while pressuring the Reagan Administration to be more outspoken in its support of Peking. The move is also regarded as a natural extension of China's attempt to become more involved in world trade in order to develop its backward economy. Says a U.S. analyst: "The real mystery is why this has not happened before."

The tangible benefits of a rapprochement with the Soviet Union could be significant. China's aging industrial plant was built almost entirely with Soviet technology and hardware in the 1950s, when the two nations were allies. The Chinese may be counting on the Soviets to supply needed spare parts and machinery for the modernization of these factories, and for the construction of new ones, which are urgently needed. Relaxation of border tensions, which now tie up more than 1 million Chinese troops, could also help cut China's military expenditures. Says a U.S. diplomat in Washington: "The Chinese basically want some leverage over the Soviets, some diplomatic advantage, and they want economic aid. They're not expecting miracles."

U.S. officials are treating the slow courtship "with dignified calm," in the words of a U.S. official. Experts in Washington express confidence that enduring conflicts of interest, notably over Afghanistan and Kampuchea, will limit any new Sino-Soviet friendship. Says a U.S. analyst: "We don't really see these two agreeing on anything very significant. But we sure don't want them to, either." Even if the Soviets and the Chinese move closer, there will be plenty of warning. "The U.S. does not have to panic or go courting cravenly," says a U.S. diplomat. "We expect no dramatic changes. And those who are apprehensive should realize this will proceed slowly, and not necessarily inimically to U.S. interests."

New Foreign Minister Wu Xueqian

"A step forward in the atmospherics."

One indication of China's continued restraint in dealing with the Soviets came last week. Only days after Peking sent Moscow the warm message, the Chinese called in harsh terms for the withdrawal of the U.S.S.R.'s "aggressor troops" from Afghanistan. And in a gesture apparently intended to reassure the U.S., Chinese leaders have postponed substantive talks with the Soviets until after Secretary of State George Shultz visits Peking in early February. ■

FRANCE

Equal Time

Communists lecture the media

The call was intended to strike a nerve among politically sensitive French journalists. Instead, it drew jeers of cynicism and outrage. Nonetheless, all of France remained fascinated last week with an extraordinary campaign by the Soviet government and the French Communist Party that demanded a greater diversity of views in the reporting by France's state-run radio and television networks. The reason for the hubbub was easy to discern: a desire to affect French news coverage of the Italian allegation that the Bulgarian secret police, and by implication the Soviet KGB, were behind Turkish Gunman Mehmet Ali Agca's attempt to assassinate Pope John Paul II in 1981.

Like other Western newsmen, French broadcasters have given prominent coverage to the Italian government's charges. In response, an aide to Soviet Ambassador to France Stepan Chervonenko sent a letter to all major French news organizations demanding "fair" treatment of the U.S.S.R. and accusing the French of making "our country the object of the most shameless defamation." The French press wasted no time in responding. Replied the conservative Paris daily *Le Quotidien:* "One can easily imagine the scandal that would ensue if a U.S. ambassador in France dared to send an insulting letter to all the newspapers, radio and television stations demanding that they judge his country more sympathetically."

Through no coincidence, the Soviet theme was also taken up by the French Communist Party daily *L'Humanité.* The paper lambasted the French media for their alleged anti-Soviet bias and declared that there were "no established facts" and only "inexistent proof [and] uncertain hypotheses" behind the reports of the Bulgarian-Soviet connection. The television networks were singled out for blame because, the Communist newspaper said, they were state-run and thus "public services." The failure to give equal play to Soviet denials of a role in the assassination attempt, *L'Humanité* piously said, was "serious, serious for democracy." Added the newspaper, in one of 1982's most ironic statements: "When you only hear one bell struck, you can't distinguish truth from falsehood. When you're only given one opinion, always the same, it's your independence of mind, your chance to judge for yourself, that's threatened."

As it happens, the Soviet leadership last week had only a single opinion to offer on Pope John Paul II. The official TASS news agency condemned the Pope for his "conservative and rigid" attitude toward the Soviet bloc. TASS also denounced the Vatican for using the "cover of religion" to engage in "anti-Communist propaganda on a broad scale." The Vatican said it had "no comment or reply" to that sound of one bell ringing in the Kremlin. ■

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As Delegates Kimche and Draper, left, watch, a rabbi welcomes Fattal to Qiryat Shemona

MIDDLE EAST

False Optimism

Disagreement over an agenda

There was a time, in the early fall, when U.S. officials believed they could persuade Israel, Syria and the Palestine Liberation Organization to withdraw their armies from Lebanon by the end of 1982. It did not work out that way. When direct negotiations between Lebanon and Israel finally began last week, some diplomats in the Middle East predicted that the talks would last two months. Others speculated that the process could easily take a year.

At last week's sessions, which alternated between Khalde, a Lebanese seaside resort south of Beirut, and the Israeli border community of Qiryat Shemona, the two sides found little to agree on. The head of the Lebanese delegation, Antoine Fattal, declared that Lebanon had never wanted to be a source of hostile action against Israel and was neither "responsible nor accountable" for the longtime presence of the Palestine Liberation Organization within its borders. David Kimche, director-general of Israel's Foreign Ministry and head of his country's delegation, replied that Lebanon's signing of the 1969 Cairo Agreement, which allowed the P.L.O. to establish its rule in Southern Lebanon and the refugee camps, had been a violation of the 1949 armistice between the two countries. Kimche also reminded the Lebanese that their government had supported Egypt, Syria and Jordan during the Six-Day War of 1967.

More important than their differing interpretations of recent history was the fact that the Lebanese and the Israelis disagreed over an agenda for the current negotiations. The Israelis believed that the talks should be wide-ranging, leading to normal relations between the two countries. Israel is reportedly seeking the right to maintain early-warning stations and to conduct air and naval surveillance in Lebanon. It is also asking for a commitment that the P.L.O. will withdraw its remaining forces and free all Israeli prisoners of war before a simultaneous withdrawal of Israeli and Syrian troops from Lebanon takes place.

The Lebanese, on the other hand, want to talk mainly about a speedy and complete withdrawal of all foreign troops. Newly elected President Amin Gemayel is concerned that the continuing presence of foreign troops will undermine his attempt to restore the government's authority over the country. The Lebanese are also aware of the feelings of their powerful Arab friends, and with reason. Saudi Arabia has threatened to withhold urgently needed reconstruction funds for Lebanon if Gemayel's government concludes an agreement that deals with topics other than an Israeli withdrawal.

U.S. Special Envoy Morris Draper, who is also taking part in the talks, declared last week that the U.S. supported Israel's "legitimate security interests" as well as Lebanon's "sovereignty and independence." But Washington generally favors the Lebanese position. The Reagan Administration fears that wide-ranging discussions would merely prolong the crisis in Lebanon and would prevent the U.S. from making any headway on President Reagan's Sept. 1 peace plan, which calls for a future association between Jordan and the Israeli-occupied West Bank and Gaza Strip.

Even if Israel and Lebanon reach an agreement on troop withdrawals, Syrian President Hafez Assad will still have to go along with it. Assad has reportedly made up his mind to remove his 30,000 troops from Lebanon when the Israeli forces are withdrawn. But any Israeli efforts to gain a permanent military foothold in Lebanon could lead to a similar demand by the Syrians, and thus to further delays. ■

Ugly Outbreak

Ethnic tensions flare up

Angry crowds blocked streets and stoned a bus. Vandals painted swastikas and vicious slogans on houses and cars and even on the home of a government minister. One message, scrawled on a wall in a prosperous neighborhood, suggested that the area's residents be sent "to Auschwitz and Treblinka," two of the most notorious Nazi death camps of World War II.

An ugly outbreak of anti-Semitism in the U.S. or Western Europe? Not at all. It was part of an unusually severe flare-up of ethnic tension in Israel between Sephardic Jews, who came from North Africa and other parts of the Arab and Oriental world, and Ashkenazi Jews, whose roots are in Europe. Though the Sephardic community now forms a majority in Israel, according to most authorities, and was largely responsible for bringing Prime Minister Menachem Begin to power, the more affluent Ashkenazim have long dominated the country's institutions.

The current troubles started in the Tel Aviv slum of Kfar Shalem, when Yisrael Yehoshua, a sanitation worker who migrated from Yemen 35 years ago, added a room to the two-room house that he and 18 relatives share. City authorities said that the addition was illegal, and sent a bulldozer, accompanied by an elite police squad, to tear it down. The family pleaded with the police to wait, pointing out that Yehoshua was in the process of obtaining a temporary court injunction barring the demolition, but the authorities refused to hold off. As the bulldozer rolled forward, Yehoshua's son Shimon, 25, fired his pistol from the roof. He hit no one, but a policeman quickly shot Shimon dead. His relatives insisted later that he had fired in the air or at the wheels of the bulldozer; the police said he had aimed at them. Cried his sister Dvora: "He survived the war in Lebanon, only to be shot like a dog while defending his own house!"

Overnight, ethnic agitation broke out in Tel Aviv. Demonstrators called Mayor Shlomo Lahat a murderer and threatened revenge. Swastikas appeared on the Jerusalem residence of Yosef Burg, the German-born Interior Minister who has authority over the police.

In Jerusalem, Prime Minister Begin avoided all public comment, thereby drawing a rebuke from the Jerusalem *Post*. The paper regretted that Begin, "whose sensitivity to anti-Semitism and communal animosity is well known, should choose to remain silent." Once again, as in the aftermath of the Beirut massacre last September, it was left to President Yitzhak Navon to address the nation's conscience. Navon, a Sephardic Jew, called for an investigation and at the same time denounced the "criminal exploitation" of the tragedy. ■

CZECHOSLOVAKIA

Prague's Sullen Winter

The economy slows, cheating increases and weekends get longer

In Czechoslovakia, a country haunted by its past, one event in particular lingers in the national mind: the Soviet-led invasion by some 600,000 Warsaw Pact troops in August 1968. That show of force quickly snuffed out the budding reforms that came to be known as the "Prague Spring" and led to the replacement in April 1969 of Communist Chief Alexander Dubček by Gustav Husák, a party official loyal to Moscow. Since then, Husák has sought to "normalize" life by striking an unwritten deal with his 15 million countrymen: do not stir up political trouble and, in exchange, enjoy a steadily improving standard of living. But as the country's economy has faltered, the nation has become apprehensive. This week, as Prague plays host to the annual summit meeting of the seven-member Warsaw Pact, Soviet Leader Yuri Andropov is expected to go to Czechoslovakia for his first trip outside the Soviet Union since taking over from Leonid Brezhnev. To assess the current mood, Bonn Correspondent John Moody traveled through Czechoslovakia. His report:

By 4 p.m., the winter night has stolen the shine from the Vltava River and turned the ornate sculptures on the venerable Charles Bridge into spooky, weather-scarred night stalkers. On Na Příkopě Street, a major artery, every third street lamp emits a ghostly glow, for most of the rest are turned off. Some side streets are completely dark.

The scene is not from Kafka but from contemporary Prague, where the Good King Wenceslas ruled in the 10th century, where Mozart first performed *Don Giovanni*, and where, on Aug. 20, 1968, Soviet tanks rumbled through the streets. It is a measure of the country's reliance on the Soviet Union that something as basic as the street lights in the country's capital are affected by Moscow's policies: two of three are dark because the Soviet Union last year cut oil deliveries to Czechoslovakia by 12%.

Gustav Husák, 69, had developed such close relations with Leonid Brezhnev that among East European leaders he alone was allowed to address the late Soviet leader in the familiar "tuy" form of Russian. Husák in effect has stifled political unrest partly by offering Czechs what is one of the highest standards of living in Eastern Europe. A similar bargain was struck in Hungary by János Kádár, who took over after the abortive revolution there in 1956. As a senior Western diplomat in Prague puts it: "Husák told Czechs, 'Keep your heads down politically or you'll get them knocked off again, like in '68. In return, we'll look the other way when you steal from factories to feather your own nests."

Until the late 1970s, the bargain held. The economy grew at an average annual rate of 2%, while inflation was negligible. Food prices, in particular, brought smiles around the dining-room table. The cost of meat, for example, remained unchanged throughout the decade. Just as important, there was official head turning at petty thievery from factories and offices, at the high absenteeism among workers and at the lax enforcement of production codes. One Western diplomat remarked that Prague had achieved an old socialist dream of a shrinking work week, but not quite in the proper manner: all but the most city-bound citizens leave their jobs at noon on Friday, jamming the highways in their domestic-made Škoda sedans as they travel to their country homes for the weekend. They take Mondays off to recover.

But the good times are ending. The high cost of oil, the tightening of credit from the West and a soft market for such Czech products as textile machinery, glassware and leather goods have slowed the country's industrial output. There was almost no overall growth in national income in 1981. Last year it was up less than 1%. Officials are tight-lipped about Czechoslovakia's debt to the West, but a local economist privately puts the figure at about $3.8 billion, far less than Poland's estimated $25 billion, but up from approximately $3.1 billion in 1979. Although Communist-bloc nations like Czechoslovakia profess to have no unemployment at all, many workers hold jobs that require little more than showing up and punching a clock.

Amid the economic difficulties, the Czechoslovak government was forced to raise the prices of meat, milk and bread last February by as much as 150%, and this month more basic services are expected to go up in price. The price of top-quality pork, for example, has doubled (to $3.25 per lb.), while beef jumped from $2 to $5.45 per lb., making such routine dishes as beef and onion ragout a once-a-week luxury. With salaries averaging $300 a month, most Czechs still can afford to eat well. The problem is finding the groceries: over the past year beef and pork have become noticeably more scarce. In their place, frozen fish from Bulgaria is filling store shelves. *Fish* and onion ragout? There was no mad scramble to buy. As a popular joke puts it, "If God wanted Czechs to eat fish, he'd have given us a coastline."

The food supplies are bountiful when compared with those in the U.S.S.R., yet many citizens feel that the Czechoslovak Communist Party has broken its pledge by failing to ensure stable prices and no shortages. The popular response, so far at least, is to cheat a bit more, which could be an extraordinary feat in this economy. The Czechs were once famous throughout Europe for their strict orderliness and scrupulous honesty, but that reputation is now tarnished. Everyone cuts a corner here, steals something there. Lubomir, for example, is a 34-year-old boiler repairman in the city of Brno. His monthly salary is $350. He works about five hours on Tuesdays and Wednesdays. On Thursdays he sells on the black market spare parts that he has filched on the job. Then he spends a long weekend at his two-bedroom country house some 40 miles from Brno, returning to work on Tuesday. At a food-processing plant near Prague, a middle-level executive is responsible for overseeing the production of 2 million tons of canned meat a day. But his workers actually produce less than half that amount. So he lies: he marks down

BERGES—SYGMA

Czechs crossing the venerable Charles Bridge in Prague

Fourteen years later, the memory of the invasion lingers on.

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The 1983 Mercedes-Benz 300 D Turbodiesel: America's best-performing diesel is also one of the world's most civilized sedans.

A diesel that loves hills and sprints away from stoplights... a sedan that laps up sports car roads. The 300 D Turbodiesel is both. Meanwhile, it coddles you and your passengers in that secure comfort unique to the automobiles of Mercedes-Benz.

Mercedes-Benz engineers have extracted more sheer power from the 300 D Turbodiesel Sedan's five-cylinder engine than any other engineers have yet extracted from any other passenger car diesel, huge domestic V-8's included.

Their secret was to couple an advanced engine design with a power-boosting turbocharger. Even other turbocharged diesels are left flatfooted; this spacious, solid, 3585-lb. five-passenger Mercedes-Benz sedan ranks as the best performer of any diesel automobile sold in America.

The 300 D Turbodiesel is meanwhile perhaps the most *conscientious* performance automobile in America, because it is so inherently efficient that EPA figures show 27 mpg city estimated and 33 highway.* An almost uncanny *balance* of power and frugality is thus struck.

So exotic is engine technology that the interior of each moving piston is constantly cooled by precisely timed jets of oil. But deep down this is still a diesel: a rugged, reliability-minded diesel that will never require a conventional tune-up.

Do not disturb

Over-the-road performance is superb. This means not only that the 300 D can swallow up roller-coaster back-country roads, and nip rather than lurch around corners–but that its occupants usually feel so *undisturbed* in the process.

Generations of Mercedes-Benz engineers have toiled since 1931 to develop, refine, and refine again the principle of four-wheel independent suspension that is primarily responsible.

These engineers have endowed the car with an exquisitely responsive steering mechanism, guided by 24 recirculating ball bearings. It feels

liquid-smooth and seemingly frictionless. The shift lever is mounted down on the transmission tunnel–but look again. The quadrant reads P-R-N-D-S-L. It is no mere automatic but a four-speed automatic, and is designed to serve equally well when shifted by hand. America's most advanced automotive braking system is four-wheel *disc* braking. An 11-inch disc brake is fitted to every wheel of every 300 D Turbodiesel Sedan.

Mercedes-Benz engineers care little if the outside world knows that total swept brake area is a massive 456.5 square inches, or that the 300 D's front suspension geometry is devised to help minimize front-end "nose diving" in hard stops. Their main concern is that the driver is better served by these and myriad other technical flourishes.

Designed, not decorated

Even when fully padded and finished, the interior of the 300 D's welded steel body shell measures almost five feet in width–sufficient to easily accommodate three adults in the rear seating area, for example. Electronic cruise control, AM/FM stereo radio/cassette player, automatic climate control system and electric window lifts–whatever conventional luxury sedans furnish by way of real conveniences, so does this sedan.

Garishness, however, is absent. The instrument panel is no entertainment center twinkling with gadgetry but an exercise in ergonomics, meant to ease the driver's task by simplifying it.

The engineers continuously strive to make driver controls fewer and less awkward to use, and so reduce driving complexity. Item: the single steering-column lever that lets you perform nine different driving functions–without taking your hands off the wheel.

Seats are not designed to *look* luxurious but to so support your body that you *feel* relaxed, even after an all-day drive.

Interior wood trim is genuine wood from the Mercedes-Benz shops, handworked and fitted and finished. A small thing, but it epitomizes this car's unremitting honesty of character–as its 120 built-in safety features epitomize its seriousness of character.

The luxury of retained value

The 300 D Turbodiesel boasts a final and powerful distinction. As a Mercedes-Benz, it shares a name so coveted by American buyers today that after the first three years, the *entire Mercedes-Benz line*–not just a few isolated models–has been shown to retain an average of 84 percent of original value.

If retained value is a form of luxury, then perhaps the 300 D Turbodiesel *is*, after all, a luxury car.

*EPA estimate for comparison purposes. The mileage you get may vary with trip length, speed and weather. Actual highway mileage will probably be less.

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2½ million tons a day. He has no fear of being caught and punished. "That's my boss's problem," he says with a shrug. "He probably fiddles with his figures too."

So pervasive is this way of life that the Czechs themselves joke about it constantly. They even made a film about it titled *Friday Is No Holiday*. The movie shows workers plodding lazily through their jobs during most of the week. Then comes Friday, and suddenly the proletariat turns industrious. Some steal bricks to complete the lakeside cottage, others "borrow" pipes for a private plumbing job or barter for extra gasoline to make a weekend excursion. Released in 1978, the film drew packed houses in theaters across the country during its run. The boffo business was not surprising in a country where the most popular maxim among workers remains "If you aren't cheating, then you are cheating your own family."

Despite the posters hanging throughout Prague to hail the 60th anniversary of the Soviet Union, the Czechs consider their relationship with Moscow to be one of accommodation, even resignation. With Husák firmly in control and an estimated 80,000 Soviet troops still stationed in the country, the U.S.S.R. dominates Czech life both politically and militarily. The biggest worry among party officials at the moment is figuring out what the Kremlin wants. "Andropov is as much a mystery to the Czechs as he is to us right now," says a Western diplomat. "They are waiting to see whether he wants blind loyalty or economic reform, or both."

With that kind of attitude, it is not surprising that Czechs have been unsympathetic, even hostile, to the aspirations of the Solidarity trade union in neighboring Poland. The Czechs have resented the fact that their goods, including food and oil, were apparently being shipped across the border to relieve shortages. Traditionally, Czechs have thought of Poles as lazy and undisciplined; thus there was some feeling that they deserved their economic woes. And most Czechs assumed from their own experience that Solidarity was doomed from the start.

Leader Husák

That is partly why no mass dissident movement has sprouted in Czechoslovakia since 1968. In addition, the Husák regime is notoriously vigorous in rooting out rebels. But perhaps the most important reason Czechoslovakia has remained placid lies in its history. Memory is a powerful teacher, and the pain of that August morning in 1968 has not disappeared. "Czechs are not heroes," says Wolf Oschlies of the Federal Institute for East European and International Studies in Cologne. "They only fight when they think they have a chance of winning." Right now, they do not. ■

Jaime de Mora y Aragón, center, leaving Banco de Andalucía after checking losses.

SPAIN

Holiday Heist

The jet set loses $16 million

'T is the season when the beautiful people cluster at one of their favorite In places, the Spanish Mediterranean resort of Marbella, just west down the coast from Málaga. Clustering there too this Christmas, alas for them, were the *crème de la crème* of criminals. When Francisco Yelamo, director of the Marbella branch of the Banco de Andalucía, unlocked his bank on the town's main street, the Avenida de Ricardo Soriano, at the end of the Christmas holiday early last week, he opened the doors on a burglary so thorough that it rocked all of Spain. Over a long and lucrative holiday recess, the thieves, still unidentified at week's end, had swiped at least $16 million in money, jewels and other valuables.

The burglars were ready to go to work, it appeared, as soon as Yelamo routinely locked up the bank on Christmas Eve. Once he was gone, they set to their appointed task, knowing that almost 72 hours would elapse before they would be disturbed. Their base of operations was an empty apartment above the bank. From that vantage point, they disconnected four separate alarm systems. Then, just as in the 1956 movie *Rififi*, they drilled a hole in the floor to the bank's data-processing center. Dropping through, they approached their principal objective: the two doors leading to the bank's 186 safe-deposit boxes in the basement of the building. The first iron-barred door was easy to breach; the second, a bulky steel safe door with multiple locks, had to be burned through. Police discovered tangerine peels on the floor by the gates, left there by the burglars, who snacked as they spent hours scorching their way into the vault with acetylene torches.

Once the thieves were inside, the valuables in the private strongboxes were theirs for the taking. The thieves ignored personal papers and discarded jewelry that they apparently considered to be inferior. Included in the haul was a collection of Goya prints owned by Jaime de Mora y Aragón, brother of Queen Fabiola of Belgium. De Mora's first estimate of his losses: $640,000. "I am ruined," said Felici Cultrera, an Italian who lost $250,000 in jewels and who was quick to offer a $100,000 reward.

Little of the loot was insured, and much of it appeared difficult to trace. At week's end police were still trying to learn how much had been taken. Some of the wealthy victims were not in Marbella last week; others preferred to wait to talk to the police until after the mob of Spanish journalists who had swarmed to the resort had disappeared. In addition, some of the money that had been taken might have been what the Spanish refer to as "black money," undeclared income that its owners would just as soon not mention to the authorities.

So extensive was the take that Spanish police assumed that the operation had been carried out by a sizable and experienced gang. The burglars were so familiar with the bank, investigators theorized, that they must have rented a box at some point in order to case the place. One immediate suspect: Frenchman Albert Spaggiari, 50, who with seven accomplices in 1976 hit a Société Générale branch in Nice for $10 million in cash and other valuables. Spaggiari was nabbed by police for that heist, but escaped one year later by jumping out the window of a magistrate's office where he was being questioned. A fugitive ever since, he was reportedly spotted recently near Marbella. ■

Sapphire skies, emerald seas and underdevelopment; insets, Jamaica's Edward Seaga and Grenada's Maurice Bishop

THE CARIBBEAN

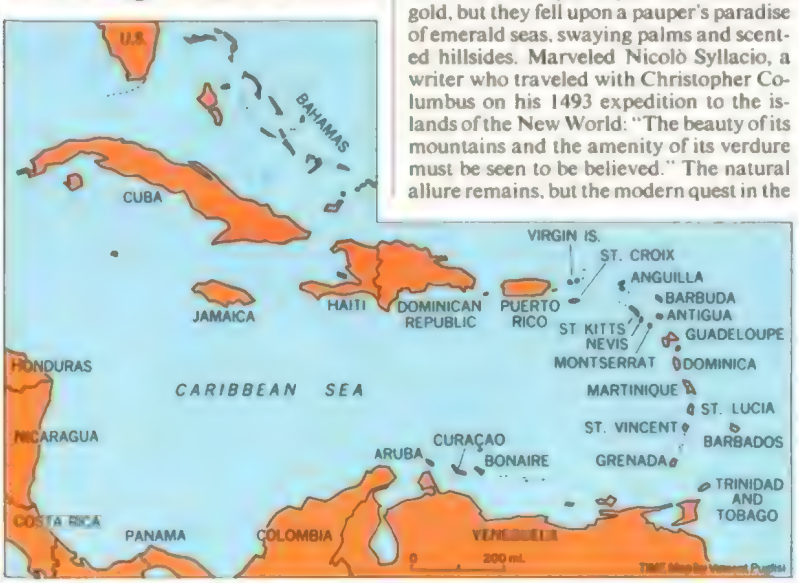
Troubles in a Pauper's Paradise

An archipelago of tiny democracies faces economic woes

One of the more important pieces of legislation that got lost in the rush of last month's lame-duck session of Congress was President Reagan's much heralded Caribbean Basin Initiative. Originally proposed in February 1982, the CBI offered $350 million in short-term cash aid and a variety of long-term trade and tariff benefits for the struggling ministates of Central America and the Caribbean. Approved by the House and the Senate Finance Committee, the plan must be presented anew to the 98th Congress, although the short-term aid money has already been disbursed.

In Central America, the main aim of the CBI is to fight Marxist-led subversion and insurgency. But in the 2,000-mile-long sweep of islands that dapple the Caribbean Sea, the problems are very different. The area's twelve sovereign nations, nine of which have become independent since 1961, face poverty, high unemployment, crippling debt and declining income from their few marketable commodities. TIME Caribbean Bureau Chief William McWhirter and Correspondent Bernard Diederich visited much of the archipelago and interviewed its worried leaders. Their report:

It was the search for gold that brought the first voyages of discovery to the Caribbean. The intrepid explorers found little gold, but they fell upon a pauper's paradise of emerald seas, swaying palms and scented hillsides. Marveled Nicolò Syllacio, a writer who traveled with Christopher Columbus on his 1493 expedition to the islands of the New World: "The beauty of its mountains and the amenity of its verdure must be seen to be believed." The natural allure remains, but the modern quest in the Caribbean is both more practical and more urgent. It is a search for the means of basic political and economic survival.



The U.S. has much at stake in the outcome of that search. Not only do the Caribbean islands (total pop. about 26.5 million) extend across vital American shipping lanes, but most of the tiny nations, ranging in population from Barbados' 79,000 to Cuba's 10.3 million, have another special asset that is rare in the developing world. Despite a cruel history of imported slavery, colonialism and harsh exploitation, the fledgling states remain among the most democratically governed in the world. The major exceptions: Cuba, Grenada and Haiti. Most of the other governments are aware of, if not always responsive to, a barrage of scrutiny from independent newspapers and opposition parties that extend across a spectrum ranging from conservative monetarism to Maoism with a calypso beat. Political apathy is rarely a problem. On minuscule Dominica (pop. 80,000), for example, virtually everyone seems to tune in to daily radio broadcasts of debates in the 30-member House of Assembly. As a U.S. State Department expert puts it, "We can take solace in the fact that the parliamentary system is fundamental in the Caribbean, and holding up well almost everywhere."

Sadly, the same cannot be said for the region's economies. Trinidad and Tobago (pop. 1.1 million) is lucky: the two-island nation now produces about 183,000 bbl. of oil a day. But the list of social and economic problems elsewhere in the Caribbean is a depressing one. Cash debts are staggering: the islands as a whole owe Western banks and governments more than $6.5 billion. In Jamaica (pop. 2.2 million) the $1.4 billion foreign debt is equal to 40% of the country's entire gross domestic product. In Grenada, the Marxist-inspired New Jewel Movement has run up a $17.1 million debt that equals 21% of the country's annual production of goods and services. Despite large-

scale emigration from the islands, unemployment has reached rates of more than 30%, with the level approaching 50% among increasingly restive youths. Says Rex Nettleford, a Jamaican author and director of studies for the Trade Union Institute of the University of the West Indies: "If there are not fundamental changes, we are going to have very serious problems. Violence is quite possible."

Along with economic decline has come social demoralization, especially on the islands where local values have been distorted by mass tourism, gambling and the drug trade. In the once conservative and traditionally oriented society of the Bahamas, 10% of all marriages now end in divorce, and 60% of all births are illegitimate. Health studies indicate that half the population suffers from malnutrition. Says Venezuela's ex-Foreign Minister Aristides Calvani, who is heavily involved in his government's $750 million aid program for the Caribbean: "The general rule is poverty going to misery. The Caribbean states are not the Third World. They are the Fourth World."

The Caribbean democracies would be better equipped to face their woes if they could learn to pull in tandem. But unique forces seem to work against that possibility. After three centuries of slavery and colonialism, independence has inspired a heady and often heedless individualism. Says Journalist Ulric Mentus: "People cherish their freedom. They think of dancing in the streets, throwing out their leaders and not going to work if they don't feel like it as all part of the same democracy. They will not vote for any government they cannot tell to go to hell."

The same strong-willed individuality has produced prickly rivalries among the ministates. Two attempts at regional federation failed. Although the area has some effective regional institutions, such as the Caribbean Development Bank, genuine cooperation in critical areas of government planning, marketing and even the costly business of diplomatic representation abroad is rare. Sometimes the regional competition reaches ludicrous extremes. In 1976, Jamaica used a developmental loan from Trinidad and Tobago to finance an elaborate London embassy and to create Air Jamaica as a rival to the donor country's BWIA International; both airlines are now heavy money losers. Major General Robert Neish, head of the 4,000-member Jamaica Defense Force, finds it easier to work out military exchange programs with Puerto Rico, a U.S. commonwealth, than with his independent neighbors.

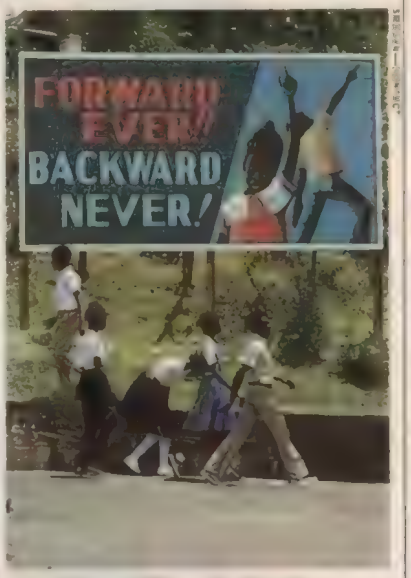
Further splintering of the island community is a possibility. Already the Leeward Island of Nevis (pop. 9,000) is threatening to split away from neighboring St. Kitts (pop. 35,000) before their scheduled independence from Britain in mid-1983. Says Dominica's Prime Minister Eugenia Charles: "We have become little nations of our own, and it's not easy to go back. If we were given an ultimatum of aid for unity, we would probably give up the aid."

For all the disharmony, there is a firm convergence of views on what the islands need in order to survive. At the top of the list is a better economic infrastructure. Says Journalist Mentus: "It's amazing how similar the situation is in all the countries: bad roads, bad telephone service, electrical shortages and insufficient food production." In Dominica, no factory exists to preserve the fish that residents catch, nor is there adequate rural drainage, meaning that too much rainfall washes away vegetable crops. In addition, citizens remain reluctant to perform certain vital tasks. Says an economist in Dominica: "People have an aversion to agriculture because it is associated with slavery and indentured labor."

But there is also a new message in the Caribbean states, one of working harder and living within realistic limits. As Trinidad's Prime Minister George Chambers repeatedly told his citizens on a recent rural tour, "Our principal problem is how to make society more productive. We must stop passing the buck." In the hard-pressed Dominican Republic, newly elected President Salvador Jorge Blanco has halved his own $120,000 annual salary and added an extra hour to the local work day. Warns Jamaican Prime Minister Edward Seaga: "If we don't have growth, you will be looking at independent countries searching for alternatives to the private-enterprise economy."

In the new but fragile mood of Caribbean realism, the Reagan Administration's Caribbean Basin Initiative, with its emphasis on incentives to private enterprise, may play a helpful psychological as well as economic role. Says a senior U.S. diplomat in the region: "I have tried to warn [Caribbean leaders] that they have got to get their act together. If we put down a road, they had better put a factory at the end of it."

Despite the economic conditions, nothing seems to constrain the good humor and optimism of the average Caribbean citizen. Individually, at least, they simply believe that their life will improve. These feelings, however, could change if the anticipated benefits do not appear. Almost every island now has its fledgling Marxist movement awaiting such a day of reckoning. Typically, Trevor Monroe, the Rhodes scholar who leads Jamaica's Marxist Workers' Party, charges that "the democratic system has been tried to its greatest extent in the Caribbean, and it is worn out." Even in the warm and languid tempo of the Caribbean, time is running short to prove that Monroe is wrong. ■



A revolutionary billboard in Grenada

A hog roots through refuse in the streets of the Jamaican capital of Kingston

"If there are not fundamental changes, we are going to have very serious problems."

COVER STORY

The Debt-Bomb Threat

After a decade of go-go lending, second thoughts about the risks

Never in history have so many nations owed so much money with so little promise of repayment. At stake is a gargantuan debt, a $706 billion lien held by banks, governments and international financial institutions around the world against a group of deeply troubled developing and East bloc countries. It is a sum nearly the size of the annual U.S. budget and more than three times that of Japan's; it is $154 for every man, woman and child on earth. It has mushroomed from about $100 billion only twelve years ago, keeping borrowers in bondage and lenders in growing suspense. Much of it may never be paid off, and a major default somewhere, somehow, could trigger far-reaching political and economic reactions everywhere. The global economy is sitting on a debt bomb.

The risks, according to U.S. Federal Reserve Chairman Paul Volcker, are "without precedent in the postwar world." Says British Financier Lord Lever: "The banking system of the Western world is now dangerously overexposed. If lending abruptly contracts, there will be an avalanche of large-scale defaults that will inflict damage on world trade and on the political and economic stability of both borrowing and lending countries." The financial community, says Rimmer de Vries, chief international economist of New York's Morgan Guaranty Trust Co., is "in a historic period. There is a lot of worry that things could get out of hand."

In their calmer moments, those involved insist that no such grim scenario will ever come to pass, that the unthinkable will not be allowed to happen, that the debt bomb cannot explode. But it is a fact that for the past 21 months, particularly through a nerve-racking autumn and winter, the bomb's fuse has been sputtering, forcing almost overnight major changes in international lending. Ever since March 1981, when Poland, with a debt of $27 billion, declared that it simply did not have the $2.5 billion due its creditors that year, the danger signals have been flying. Last August, Mexico announced that it could not come up with the interest on its debt of $80 billion; soon thereafter Brazil declared that it was unable to meet payments on its $87 billion borrowings. Last week Brazil told its foreign creditors that it would not make $446 million in payments on principal due in January, but denied that this amounted to a moratorium. Argentina, too, was in the headlines: about five months behind in interest payments on its debt of more than $40 billion, it encountered a delay in securing a crucial $1.1 billion bailout loan from international banks.

The shock of such big borrowers' falling on hard times over so brief a period has been sobering. Though Western banks and governments are rallying with patchwork rescues for Poland, Mexico and Brazil, their efforts are merely short-term answers to long-term problems. More important, each crisis has made it more difficult for other borrowers to raise funds and keep up with payments, hardly a reassuring prospect for a parade of more than two dozen debtor countries in Latin America, Asia, Africa and the Soviet bloc.

The International Monetary Fund (IMF) reports that 32 countries were in arrears on their debts in 1981, compared with 15 in 1975. Yugoslavia ($19 billion) is meeting its obligations, but is seeking more generous terms on future loans. Rumania late last year rescheduled $2.8 billion of its $11 billion debt and interest payments. Costa Rica ($3.1 billion) has

Illustrations for TIME by David Suter

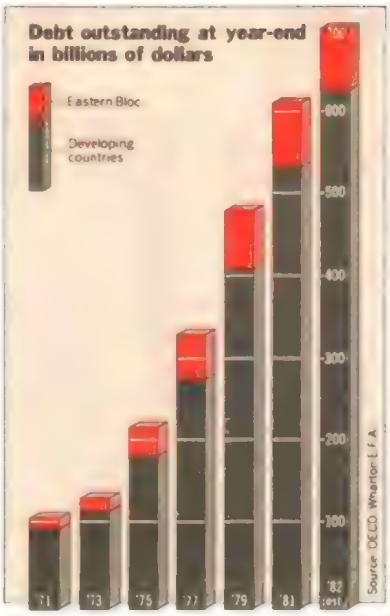
told its creditors that it cannot produce $270 million in back interest. South Korea ($36 billion), despite its generally strong economy, is being closely watched. And there are others.

Although developing countries borrowed prudently to maintain growth in the face of higher energy costs after the 1973 oil shock, they were beginning to slide into deep debt by the time the second major oil-price hike came in 1978-79. Now they find themselves pinned down by a combination of events, each of which, by itself, would be troublesome enough: a lingering world recession; high interest rates; slumping exports and generally flat trade; increasing protectionism in the industrialized countries; and low commodity prices. Interest payments fall due, and national treasuries must strain to the limits to pay. Everywhere the cost of servicing debt is swallowing an increasing percentage of export earnings. Though some of the biggest borrowers have owned up to their problems, other surprises could lie ahead. A combination of three or four medium-size countries' getting into difficulty at the same time could prove more troublesome than one large default.

The debt threat has raised fears in Western Europe for some time, but was initially dismissed as Cassandra talk in Washington. Only in recent months has the Reagan Administration come around to the view that the crisis is potentially dangerous and unlikely to blow over quickly. As a consequence, the U.S. Government became involved in both the Mexico and Brazil rescues. Last month Treasury Secretary Donald Regan appealed for concerted international action to devise a new "apparatus" to handle currency and debt problems, although he admitted that he was still "groping" for what form that should take. Said Regan: "There must be a better way."

U.S. banks would no doubt agree. Of all the world's financial institutions, none are more deeply mired in the international debt dilemma than they. Their loans to developing nations and the East bloc now amount to about $130 billion, including $68 billion to Latin American and Caribbean countries. At midyear $52 billion had been loaned to Mexico, Argentina and Brazil alone.

As the U.S. bankers point out, less than 10% of their total assets are at risk to foreign borrowers in trouble. But the figures loom large when compared with shareholders' equity, which, coupled with loan-loss reserves, can be thought of as what a bank would have left if it paid off its depositors and creditors. New York's Chemical Bank, for example, has $1.4 billion on loan in Mexico and $370 million to Argentina, a sum amounting to 92% of its shareholders' equity. Chase Manhattan has loans totaling $2.5 billion to the two countries, 77% of stockholders' equity, and New York's Citicorp, which refuses to confirm the exact figures, has a reported $4 billion, or 85%. On top of that, Citicorp is a very big lender to Brazil, with an estimated $5 billion in total loans. Altogether, the nine largest U.S. banks have loaned out about 130% of their equity to Mexico, Brazil and Argentina. These banks have set aside a total of $3.6 billion in loan-loss reserves, but that amounts to only 12% of their exposure in the three countries.



Some of the smaller regional U.S. banks that have ventured into the foreign market are also vulnerable, particularly those in Southwestern states that have extensive dealings across the border. The Valley National Bank of Arizona, for example, has Mexican loans totaling 60% of its equity; at Texas Commerce Bank in Houston the figure is 36%.

Much of the U.S. loan money has gone not to governments but to private borrowers—in Mexico, 47% of the total—and the debtors include many companies in financial difficulty. Last year Mexican companies missed $600 million in interest payments to American banks.

That shortfall is hitting the bottom line. Robert Albertson, an analyst with the Smith Barney investment firm, estimates that delinquent loans to foreign firms may have lowered fourth-quarter profits of major banks by some 5%. Concern about an earnings drain from bad loans has already helped depress bank stocks. While the stock market has been reaching new highs, shares of Citicorp have fallen 14% since November. Chase Manhattan has dropped 11%, and Valley National is down 26%.

To help cautious investors, the U.S. Securities and Exchange Commission has asked the banks to disclose publicly their potential foreign loan problems. As a result, in their third-quarter reports to the commission, the banks with large loans to Mexico and Argentina were, in effect, forced to reveal their total exposure for the first time. But the disclosures are still incomplete because the SEC did not ask the banks to tell what portion of their loans is to private borrowers as opposed to governments.

Clearly, many regional banks are growing restless about maintaining their loans, much less issuing new ones. Says the president of a small bank in upstate New York, which has a $3 million loan out to the Mexican state-owned oil company: "When that loan matures, it will not be renewed. We had no business getting in there in the first place."

There is ample apprehension elsewhere. Many West European banks are seeking permission to make loans to countries that are questionable credit risks tax deductible. British banks are worried enough to have increased provisions for losses to the largest levels in memory. In West Germany, the national banking supervisory agency is un-

A WATCH LIST FOR 1983

Estimated debt in billions of dollars

	Total at year-end 1982	Debt service payment* for 1983	Payment as % of exports
Brazil	$87.0†	$30.8	117%
Mexico	80.1	43.1	126
Argentina	43.0†	18.4	153
S. Korea	36.0	15.7	49
Venezuela	28.0	19.9	101
Israel	26.7	15.2	126
Poland	26.0	7.8	94
U.S.S.R.	23.0	12.2	25
Egypt	19.2	6.0	46
Yugoslavia	19.0	6.0	41
Philippines	16.6	7.0	79
E. Germany	14.0	6.3	83
Peru	11.5	3.9	79
Rumania	9.9	5.5	61
Nigeria	9.3	4.9	28
Hungary	7.0	3.5	55
Zaire	5.1	1.2	83
Zambia	4.5	2.0	195
Bolivia	3.1	1.0	118

*Includes interest due on debt plus amortization due in '83 †TIME estimates

Source: Morgan Guaranty Trust Company

derstood to have informally recommended that banks "write down," or unofficially write off, 40% of their sovereign risk loans. Matters are less critical in Japan, where the Ministry of Finance makes certain that banks do not lend more than 30% of their capital overseas. But even Japanese banks, which had a total of $81 billion in international loans outstanding in 1981, suffer formidable exposure.

Since U.S. banks have the biggest overseas commitment and more than three-quarters of international loans are made in dollars, there is little doubt in financial circles that should it ever become necessary, saving the world's financial system will fall to the U.S. Federal Reserve. It is the only central bank* capable, in the words of H. Johannes Witteveen, the former managing director of the IMF, "of creating the necessary liquidity." In effect, the Federal Reserve would have to pump in the dollars that a troubled U.S. creditor bank needed to survive, even to the point where it could fuel inflation in the U.S. Says Salomon Brothers' Bruce Brittain: "The international debt crisis can be boiled down to a problem of four countries, ten U.S. banks and the Federal Reserve." If things got out of hand, explains a U.S. Administration official, and inflation grew as the result of Federal Reserve action, everyone in effect would be paying a share. "It would be a tax to save the system."

Even if there is no default crunch, the debt dilemma could prove costly. Major U.S. banks no longer get favored short-term interest rates in international money markets, and with the exception of Morgan Guaranty Trust Co., all have lost their triple-A credit ratings in the U.S. bond market, in part because of higher lending risks. Moreover, if the large international banks are saddled with too many near bad debts, they might have less money available for borrowers at home; thus new car loans, personal financing and mortgages will remain expensive. And although the risk of bank bankruptcies is thought to be slight, the industry's profits could be diminished for years to come, and some smaller institutions may have to be guided into mergers.

But there is a larger fear: a surge of defaults could turn the world recession into depression. More than 40% of U.S. exports of commodities and services and one American manufacturing job in 20 hinge on sales to developing countries; similar export figures apply to Western Europe and Japan. The nations that buy many of the industrialized world's goods are the same ones that have borrowed so heavily. Any economic contraction on their part would boomerang back in the form of less demand by them for imports. The resulting deepening recession, so the theory goes, would further hurt the poorer countries, and so on and on. Once started, the process could be difficult to stop. The development dreams of the Third World would come to a halt, stock markets would tumble, unemployment would soar, and world economic conditions could rival those of the 1930s.

The scope of the current difficulties has caught many in the financial community by surprise, mainly because few expected interest rates to remain so high for so long or commodity prices to drop so steeply. There has been little warning of many debt problems, and the speed with which rescue operations have to be mounted does not leave much time for reflection. Endangered borrowers put off admitting their problems until the last moment for fear of shattering lender confidence and making matters worse. Once the bad news is revealed and digested, the banks with the largest stake have only weeks, sometimes days, to act. Working against default deadlines, they must agree on the terms of a rescheduling package that gives the borrower more time to repay and is often linked to quick cash injections from governments and the IMF.

Under such circumstances, bankers do not worry about getting their original loan money back on time—something that may come as a surprise to the general public, which, as a rule, is expected to pay back its debts to banks. The bankers' preoccupation with loans to nations is with avoiding default. This keeps interest payments coming, even if at a slower pace. In any case, rescheduling is sometimes good business, because higher rates can be charged as the price for delayed repayment. The difference is important. If the debtor defaults and payments stop altogether, the banks have no choice but to write off the loan as a bad debt, and too many of those threaten a bank's solvency.

The rescheduling process generally is not easy. The debtors need more than a delay in repayment to survive. Most require new loans, frequently large ones, and the biggest banks are in too deep to refuse. "The major banks," says John Ma-

*The central bank of a country is the bankers' bank. Its powers vary from nation to nation. But whether it be the U.S. Federal Reserve system, the Bank of England or the West German Bundesbank, its official duties usually include issuing banknotes, controlling the money system, supervising the banking industry and acting as a lender of last resort.

this, the chief international economist for Chicago's Continental Illinois National Bank and Trust Co., "are in for the long haul. They cannot walk away."

The same is not necessarily true for smaller lenders. Loans to countries usually involve hundreds of banks: 500 have varying-size shares in Poland, 1,400 in Mexico and more than 1,000 in Brazil. Originally attracted to the international lending game by the lure of quick profits, the smaller institutions may be willing to cut their losses and, in the midst of rescheduling talks, balk at throwing good money after bad. Reports a Hamburg banker: "I come into these sessions, and I find all these hillbillies. The big American banks have made the loans and sold parts of them to the little ones. And these fellows, who don't know the Baltic from the Barents Sea, were all crying, 'I want my money back!' "

It is not just that the smaller banks' money will be missed—although it certainly will be. In some credit packages, there exists the risk that one bank might call the borrower in default. Under the terms of many loans, that move could trigger what are called cross-default clauses among other creditors, big and small. As negotiators realized during the Polish talks, it would have been theoretically possible for a small institution that loaned $100,000 or so to bring down that country's $27 billion house of cards. In the case of Mexico and Brazil, the danger was not so acute. Unlike loans to Poland, which were all made to the government, their debts were scattered among thousands of borrowers. A default on one loan would not necessarily spark a default on others. Still, it could inspire other small creditors to consider calling in their loans. One important resource for the big banks in preventing a cross-default catastrophe is politely described as "peer pressure," the threat that anyone taking such a step would be ostracized forever.

The origins of the debt crisis date back to the first major increase in oil prices by the Organization of Petroleum Exporting Countries (OPEC) a decade ago. Suddenly, a number of oil-rich nations began earning billions of dollars, far too much for them to spend on even the most grandiose of development projects. On the other hand, developing nations that had no oil found themselves sorely pressed to pay for higher energy costs. The answer to the problems of both groups lay in a magic word: recycling. The petropowers deposited much of their excess wealth with the world's major banks, which in turn loaned the money to those who needed it to buy oil or, in the case of East-bloc nations, were eager to modernize their economies. Another major source of lendable dollars was a persistent U.S. balance of payments deficit that left dollars overseas.

The new business was a bonanza for banks. From Wall Street to the financial centers of Western Europe, bankers awoke to the delights of international lending. Eager to win their spurs, young loan officers fell over one another knocking on the doors of finance ministers from Warsaw to Kinshasa. "The international side looked glamorous," recalls David Ashby, chief economist at London's Grindlays Bank. "Bankers like travel and exotic locations. It was certainly more exciting than Cleveland or Pittsburgh, and an easier way to make money than nursing along a $100,000 loan to some scrap-metal smelter."

Based largely in London, the networks of leading U.S., West European and, later, Japanese, Arab and Latin American banks arranged syndicates of hundreds of smaller banks to put together billion-dollar deals in days. This was often done simply by telephoning around and persuading lenders to take $10 million here and $15 million there. Profits were large, because the typical developing country, a higher-risk borrower, paid a higher interest rate than a domestic blue-chip corporation. Furthermore, the bank arranging the deal normally received a fee of one-eighth of 1%, a cut that produced an instant profit of $1.25 million on a $1 billion loan. So attractive was the business that smaller U.S. regional and West European banks rushed to open representative offices in London. Between 1975 and 1982, more than 60 banks entered the game each year.

Not surprisingly, the young gunslingers, the loan-marketing officers working for such syndicate leaders as Citicorp, France's Société Générale and Switzerland's Crédit Suisse, often paid little attention to whether the borrower could repay. The fact that Mexico sat on an ocean of oil, that Zaïre had mountains of copper was thought to be collateral enough. Annual bonuses and career prospects were at stake; if one bank did not get the business, another would. "They had to meet specific profit targets, sometimes even monthly targets," recalls a senior British financier in discussing U.S. banks in particular. "Money was just a raw material to be fed into the sausage machine. They did not want to hear about the risks. By the time the country couldn't repay, the people who had made the loan were off and away to some other bank."

Not that there were no warnings. As early as 1974, Lever, then an economic adviser to the Labor government, suggested to British Prime Minister Harold Wilson that the banks could not handle the massive flow of funds. Two years later, Arthur Burns, at that point chairman of the Federal Reserve, cautioned U.S. bankers about the dangers inherent in the booming international loan business. The bankers told him that they knew more about it than he did.

As injudicious as the lenders may have been, they provided a much appreciated resource. Oil-rich developing nations, such as Mexico, Nigeria, Venezuela and Indonesia, wanted to borrow for their development plans, in effect cashing in early on as yet unpumped crude reserves. Developing countries without oil wealth, the majority, needed the money to offset higher energy prices that were squeezing their fledgling industries and threatening them with recession. Economic growth was in jeopardy—and with that the survival of some fragile regimes. The solution: borrow, borrow, and then borrow more.

Some countries, convinced that they had discovered El Dorado, which in a sense they had, simply grabbed loans while the going was good, even for the vaguest of schemes. Togo, which has no crude, built an oil refinery; today it stands unused. Liberia ran up debts to host a meeting of the Organization of African Unity. Other countries constructed international airports and posh hotel complexes. Corruption was rife: in Zaïre *(see box)*, politicians poured funds into secret Swiss bank accounts; the Central African Republic spent $50 million, roughly half the country's annual budget, on the 1977 coronation of

MEXICAN CONNECTION

End of third quarter 1982

	Loans to Mexico in millions of dollars	As a % of shareholders' equity
Manufacturers Hanover	$1,900	78.5%
Chemical	1,400	73.0
Bankers Trust	926	61.2
Citicorp	2,800	59.8
Bank of America	2,500	59.1
First Chicago	750	56.0
Chase Manhattan	1,600	49.6
J.P. Morgan	1,100	42.3
Continental Illinois	650	38.5

Source: George Salem, Prudential-Bache Securities

the since deposed Emperor Bokassa.

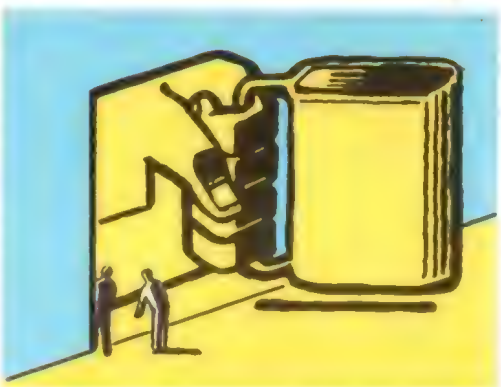
Even financially prudent countries believed that going into debt made economic sense. They borrowed five-year money on the assumption that their economies would grow faster than oil prices. Since the loans were mainly in dollars and inflation in the U.S. was depressing the value of the dollar, the borrowers believed that they could repay loans taken today with cheaper dollars tomorrow. Everywhere, going into debt was seen as the means to put off painful, belt-tightening decisions.

The strategy paid off, for a while. Between 1973 and 1980, the World Bank estimates, the economies of low- and middle-income developing countries grew at an annual rate of 4.6%, nearly double the 2.5% growth experienced in the industrialized world. Then came the reckoning.

In late 1978 OPEC announced its second major price increase, and less than a year later the U.S. Federal Reserve moved to dampen U.S. inflation by restricting the money supply. Tighter credit in the U.S. boosted world interest rates to new postwar highs, while declining inflation in the U.S. and a rush of foreign money into the country strengthened the dollar. No longer could loans be paid off with ever less expensive greenbacks. Quite the contrary. Moreover, since the biggest borrowers—Argentina, Brazil, Mexico and South Korea—carried floating interest-rate tags (which change with prevailing rates) on most of their loans, servicing costs climbed out of sight. Between 1976 and early 1982, the London Interbank Offered Rate (LIBOR), against which most international borrowing is set, zoomed from 6% to 15%. Each 1-point rise added an estimated $2 billion to the developing countries' annual debt bill.

At the same time, the oil shock and tighter credit sent the industrialized economies into a recession that sparked industrial production cuts, ballooned unemployment and set off a chorus of calls for protectionism to stem the flow of imports from the Third World (*see* ESSAY). Demand for the developing nations' products, mainly raw materials, slumped. As a consequence, between 1980 and today, world commodity prices, excluding oil, have fallen by 35% to the lowest real levels in three decades. Sugar, a principal Brazilian export, dropped from $495 to $120 per ton; Zambia's copper price plunged from 95¢ per lb. to 69¢. Tanzania's President Julius Nyerere put it plainly: to buy a seven-ton truck in 1981, his country had to produce four times as much cotton, or three times as much coffee, or ten times as much tobacco, as it took to purchase the same vehicle five years earlier.

The developing countries found themselves in a classic squeeze: rising debt costs eating up ever larger chunks of declining export earnings. In 1981, Third World economies grew by an average of only 2.2%, a sharp decline from the halcyon days of the 1970s. Says Robert Solomon, a former U.S. Federal Reserve economist who is now at the Brookings Institution in Washington: "It cannot be overemphasized that the recession and high interest rates in the industrial countries are at the heart of debt-servicing difficulties."



The debtors' worsening woes prompted a number of countries to ask for partial debt rescheduling in the late 1970s. But such events were isolated, the amounts small. It was only the cry for help from Poland, the most indebted of all the East-bloc nations (the bloc's total debt: $80 billion), that created a sense of urgency. Poland had used its loans from the West to buy Western machinery in the hope of exporting new products and thus repaying its debts. Spurred by the spirit of détente and profits, international banks eagerly cooperated; if it ever came to a crunch, they convinced themselves, Moscow would extend a financial umbrella to prevent the economic collapse of one of its satellites. Unfortunately, many of Poland's investment schemes were ill conceived. The country was in financial trouble as early as 1977, and by 1981 found itself severely short of money. The Moscow umbrella proved to be full of holes, and Warsaw fell into arrears on its debt repayments.

Poland's rescue was initially complicated by reluctance on the part of some members of the U.S. Administration to assist an East-bloc nation only months after the Soviet Union had invaded Afghanistan. Since the exposure of U.S. banks was not quite 10% of the total debt, opponents of a bailout both in and outside the Administration argued in favor of declaring Warsaw in default. No such sentiment existed in West Germany, where the banks had lent heavily because the Bonn government was committed to keeping political and economic channels open to the East. "What the Americans did was poison the atmosphere," says a Frankfurt banker. "We were constantly in fear that some small U.S. bank was going to play patriot and show those Communists a thing or two by calling in their debt. That could have started an avalanche."

In the end, the default hawks in the U.S. lost out, mainly because such a drastic step would have taken the Polish regime off the hook and erased all Western leverage. But the fuse on the debt bomb had been lit, and in ensuing months the vast dimensions of the global problem became ever more apparent. Facts were hard to come by. A recurrent, although totally unfounded, report had it that the borrowing nations were planning to form an OPEC-like cartel to repudiate their debts en masse. Just before the annual joint meeting of the IMF and the World Bank in Toronto last September, former British Chancellor of the Exchequer Denis Healey warned that "the risk of a major default triggering a chain reaction is growing every day."

Mounting uncertainty quickly shrank the lending markets. In general, creditors began to cast a more critical eye on applications for rescheduling and new loans. The result was a sharp cut in the amount of money available to Mexico, Brazil and a host of other borrowers.

Mexico was the first to show signs of distress. Just as the West European banks dominated the loan business to Poland, U.S. banks had taken the lead in Mexico. Last August, Mexico's Finance Secretary,

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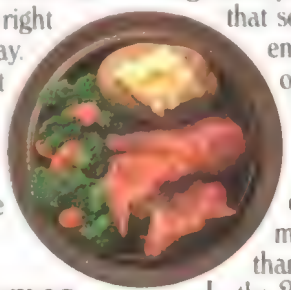

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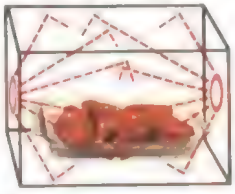

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Jesús Silva Herzog, summoned representatives of international banks to the fortress-like Federal Reserve Bank of New York to ask for a postponement of loan repayments. The request came as a particularly shocking blow to the U.S. financial community. Only two months earlier, after all, the Bank of America had happily put together a syndicate to provide Mexico with $2.5 billion. Recalls Morgan Guaranty's De Vries: "It was like an atom bomb being dropped on the world financial system."

The Reagan Administration moved in with immediate aid: $1 billion in oil purchase prepayments, another $1 billion in agricultural credits, and half of a $1.85 billion short-term loan put up by the Bank for International Settlements (BIS) in Basel, Switzerland, the so-called central banks' central bank and the keeper of international lending statistics. This was closely followed by an IMF announcement that it had approved a Mexican adjustment plan and would extend a new credit of $3.9 billion. But the commercial banks were not happy over the IMF's conditions that they increase their lending by 7%, or $5 billion. Before agreement could be reached, increasingly worried bankers began to realize that Brazil, long regarded as most creditworthy, was also in deep trouble. Meanwhile, in December, shortly after the U.S. Government came up with a $1.2 billion short-term bailout loan for Brazil (where U.S. institutions carry $18.9 billion of a total debt of $87 billion), several large U.S. banks combined forces to rescue Brazil's largest commercial bank, the government-controlled Banco do Brasil, from a severe cash shortage. This support operation is still continuing.

For days on end, the financial world waited in suspense as bankers tried to patch together the two rescue packages. In the case of Mexico, 13 leading U.S., Japanese, British and West German bankers worked around the clock for nearly two weeks in the 29th-floor dining room of Citicorp headquarters in New York City to keep the country from defaulting. "It was handled like a money-raising telethon," one observer recounted later. Just the process of sending out the 27-page rescheduling proposal to some 1,400 banks involved in Mexico's loans gobbled up 600 hours of telex time

"Great Hopes Are Gone"

Beneath an asthmatic fan, the pianist eases from a tired collection of pop tunes to Elgar's *Land of Hope and Glory*. It is a curious switch because there is hardly any glory in the seedy Kinshasa bar near the banks of the sluggish Zaïre River and little hope for the country that bears the river's name. Though its debts are small on an international scale—only $5.1 billion—Zaïre is a financial basket case, a country so broke, so mismanaged, so beset by the global recession and, ultimately, so corrupt that it should be a perfect warning to lenders. Since 1976, Zaïre's debt has been rescheduled at least five times; last year only an estimated $250 million of $946 million due in debt service was paid, and the chances of full repayment are nil.

The picture was not always so gloomy. In the early 1970s, after nearly a decade of civil strife, the former Belgian Congo had achieved a measure of political stability under the dictatorship of President Mobutu Sese Seko. More important, the country was recognized as a treasure trove of gold, diamonds, oil, copper and cobalt. Banks rushed to extend credit. They were to rue the day. Notes one foreign banker in Kinshasa: "We did not do our sums properly."

Aside from export setbacks—prices for copper and cobalt dropped sharply—much of the loan money that flowed in was not spent wisely. Among Mobutu's development projects was a huge undertaking to dam the Zaïre River and to build a 1,100-mile-long power line to the Shaba copper-producing region at a total estimated cost of about $1 billion. Eight months after the power was finally turned on in 1981, the current was switched off. Shaba province happens to be self-sufficient in electricity. Says one Western diplomat: "If ever there was a white elephant, this is it. Zaïre needs the scheme as much as it needs a nuclear-powered submarine."

Worse still, corruption percolates through the regime. "It is widely accepted," a U.S. Senate Foreign Relations Committee staff report completed in March noted, "that he [Mobutu] has managed to amass a legendary personal fortune at the nation's expense." Kickbacks are the order of the day, with the President's cronies controlling significant slices of the economy. "It's the greed of a handful at the top that keeps this country in an economic mess," says one Belgian businessman. Complains one of Zaïre's former financial advisers: "We had great hopes, but they are all gone. It is a country that makes people dream and then makes them go crazy."

Businessmen are not the only people to despair. In 1978, the International Monetary Fund sent Erwin Blumenthal, formerly a top official of West Germany's Bundesbank, to take over as the director of Zaïre's central bank. TIME has obtained a copy of the secret report he wrote to IMF Managing Director Jacques de Larosière early last year. In it, Blumenthal describes refusing high officials' requests for bundles of cash of up to $50,000, finding a government payment of $4 million to a Belgian professor who was the guardian of Mobutu's son, and uncovering a discrepancy of $32.6 million between what was supposed to be in the government's bank accounts abroad and the money that was actually there.

Mining Zaïre's mountain of copper and, inset, President Mobutu

Blumenthal left Zaïre in 1979. But he continued his investigations in Western Europe, obtaining from former Zaïrian Prime Minister Nguza Karl-I-Bond, now living in exile, the estimate that Mobutu's private fortune exceeds $4 billion. Most of it was said to be held in Swiss bank accounts, a point that may explain why the Swiss have been receiving fairly regular payments on loans owed them by Zaïre.

The only factor that has kept Western bankers from calling a default is that large loans would have to be written off. "If Zaïre were serious about sorting out its debt, it could be done in a matter of years," says one creditor. Explains a Western diplomat: "The Zaïnans are not worried about being a basket case. The elite always do well regardless of who is putting up the money."

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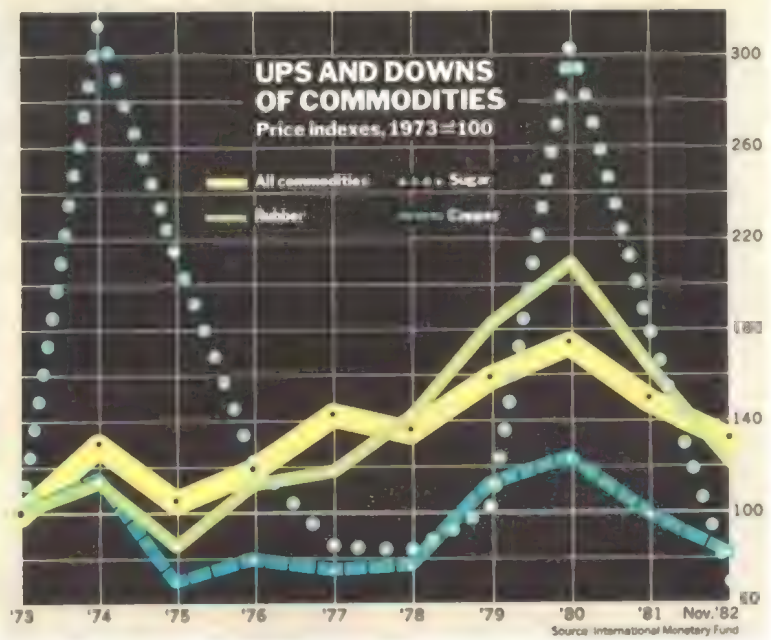
At one stage, during discussions in Washington over oil prepayments, the Mexican delegation came close to walking out. Recalls a U.S. diplomat: "They balked at paying a service fee on the money. They said they were seeing imperialism in action and threatened to take the next plane home. That would have meant default." In the end, the U.S. conceded. During the Brazil operation, a New York banker roused Volcker out of his sleep one night to plead for a $500 million Federal Reserve contribution to that salvage attempt. Volcker came up with the money. In either case, there was no margin for failure.

At year's end, responses from Mexico's creditor banks to the IMF's earlier request for new loans were reported to be coming in at a fast clip, with about $4 billion of the needed extra $5 billion already pledged. The biggest banks, which have been masterminding the complex operation, were said to be confident that everything could be pulled together successfully, even though some smaller lenders in the U.S. and Western Europe were still seeking further assurances. Brazil's request for a new jumbo loan of $4.4 billion remained under consideration at New Year's Eve.

The large U.S. and West European banks are right to be concerned about the drift of events, even if governments are not likely to permit big bank failures. The blow to public confidence would be so great that the U.S. Federal Reserve or any other central bank would step in first to support a troubled major institution. "No central bank would allow its prime commercial bank to go bust," says Grindlays' Ashby. Says a West European central banker: "We cannot say what they already know, that the big banks will not be allowed to go under."

Perhaps with that in mind, most lenders try hard to play down the problems and insist that talk of default, let alone bankruptcies, is ill founded. "Foreigners have been borrowing our money since 1902, when we opened our first [overseas] branch in Shanghai," Citicorp Chairman Walter Wriston told TIME. "Our loan losses overseas are not a third of what they are from those good people who borrow our money and speak our language. There are few recorded instances in history of governments, any government, actually getting out of debt. Countries do not fail to exist." The rescheduling of Mexico and Brazil's debts, Wriston suggests, is not unlike the U.S. Government's weekly Treasury bill auction: both raise new loans to replace old borrowings.

"Cotton candy," retorts Robert Roosa, a former U.S. Treasury Under Secretary and now a Wall Street banker. Salomon Brothers' Henry Kaufman agrees with Roosa. He contends that the U.S.'s public debt cannot be compared with that of a developing nation: the U.S. has an infinitely more powerful economy and a more stable political process. Others, echoing that view, note that banks can hardly send gunboats to seize Poland's steel plants, Mexico's oilfields or Indonesia's rice mills if debt repayments are halted. Says Britain's Lever: "I call [Wriston] the Peter Pan of bankers because he still believes in fairies."



Countries may indeed last forever, as Wriston says, but governments do come and go. More to the point, even if they do not go, they can stop payments, whatever the cost—most likely no more access to the world's credit markets. In the mid-1800s, when the U.S. was a developing nation, four American states (Pennsylvania, Maryland, Louisiana and Mississippi) defaulted on British loans. Though three subsequently paid up, Mississippi is still listed in London as a bad debtor; it owes $5 million for a bond issue, excluding interest. More recently, whole countries have repudiated their foreign loans, among them have been Cuba in 1961 and North Korea in 1974.

"The possibility of a country defaulting rather than accepting the IMF's austerity demands cannot be dismissed out of hand," says New York Financier Felix Rohatyn. Notes Stuart Greenbaum, professor of banking and finance at Northwestern University: "Imagine you are a Latin dictator deep in debt. If you [accept IMF terms and] cut back on imports, you get riots in the streets. If you default, you are ostracized by the world capital markets. Now if the first approach leaves you swinging from a tree branch, you know you are going to go the default route."

Under the circumstances, small banks may be frightened enough to stop lending internationally. Geoffrey Bell, a former British Treasury official, believes that of the 1,200 banks active in international loan syndicates in 1981 "only half are likely to remain." Morgan Guaranty Trust Co. estimates that loans to developing nations, before the rescue operations at year's end, dropped by about 20%, from $33 billion to $27 billion, in contrast to a 40% increase in 1981. That kind of severe retrenchment could precipitate the very troubles the banks fear most.

Not surprisingly, those advocating renewed lending have become more vociferous, among them Regan, Volcker and IMF Managing Director Jacques de Larosière. Former U.S. Secretary of State Henry Kissinger told a bankers' convention in Atlanta last October that "new loans must be in excess of [the borrowing countries' existing] interest payments to allow these countries to keep growing." In Western Europe, the central banks are doing more than talk; many are pressing smaller lenders to produce the new loans. In the U.S., Volcker is trying to do the same thing in a different way. He wants new loans made to support the economies of troubled debtors to be exempted from the normal "supervisory criticism" of bank regulators.

One aspect that will help in general is a frank discussion of the dilemma: all along the crisis was worsened by denials that it existed. Stephen Marris, an economist at the Organization for Economic Cooperation and Development in Paris,

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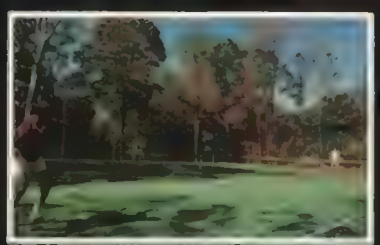

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explains that only recently has it become "respectable" to admit that the debt problem will not go away in a hurry. That sentiment, thanks partly to the Mexico and Brazil rescues and Regan's call for new solutions, has now been reinforced.

No one has yet produced the sort of wide-ranging answers needed. What is acknowledged is that there are no quick fixes. The only lasting solution would be an upturn in the world economy, setting the industrialized world's plants humming with new business, lessening calls for protectionism, and increasing demand for the borrowing nations' commodities. That would sharply improve the economies of the Third World and the East bloc as well and in turn make it easier for them to repay borrowings on time and in full. Says Nicholas Hope, chief of the World Bank's external-debt division: "Trying to solve the debt problem without solving the economic problem is much the same as putting out the fire in the ashtray when the living room is alight."

The decline in interest rates is already taking some of the heat off. In what has been described in financial circles as a "kiss of life," the U.S. Federal Reserve relaxed its tight-credit policies last summer, and the prime rate has since dropped from 15% to 11%. Lower rates will aid the debtor nations in another way as well: they help spark recovery in the industrialized world, which in turn lifts demand for developing nations' products. That will lower interest payments on floating-rate borrowings by the debtor nations and reduce the cost of new loans. Morgan Guaranty Trust Co. estimates that each single-point drop in international interest rates saves Mexico $600 million a year, the developing nations as a whole as much as $3 billion.

But a global upturn lies months, possibly even years, away. In the meantime, experts are trying to move beyond the Band-Aid measures applied in recent weeks. Few ideas are completely worked out or indeed acceptable and appealing to all. Among the proposals:

An Early-Warning System. Top international bankers recognize that they need more up-to-date information on the state of debtor nations. At the moment, banks have to rely on their own estimates of how much a country has borrowed, until the BIS publishes worldwide lending statistics after a six-month lag. One approach has been proposed by William Ogden, vice chairman of Chase Manhattan, who has persuaded 31 of the world's largest commercial banks to set up a "private IMF." Like the fund, which collects information on debtors (but releases only limited material), Ogden's group, to begin working in Washington some time next spring, would keep tabs on who has borrowed what from whom and how the funds are being used. Such details should help the banks prepare for impending crises, even if they would not entirely prevent the crises.

A Debt Takeover. Some bankers hope that the World Bank or some other international institution could be persuaded to take over troubled loans from commercial banks, perhaps by buying them at a discount. From the banks' narrow viewpoint, this would solve the problem. It is unlikely to happen, however. Not only might the World Bank resist being saddled with such burdens, but most parliaments would balk at letting the banks off scot free. Says one international financial official: "The people who must get help now are the most irresponsible borrowers and the most irresponsible lenders. If governments decide that they must take over, they will certainly try to extract their pound of flesh."

New International Institutions. Some experts believe that the world needs a new agency to help debtor countries, but to establish one could inflame North-South political tensions that would endanger the present rescue measures. Discussions center on how the world's largest economies can expand short-term lending to developing economies and how the IMF can step in with added scope and power. Up until now, the IMF, which is funded by 146 countries, has concentrated on aiding its member nations in weathering balance of payments difficulties, often with loans, and always with recommendations for tough economic-adjustment measures.

The IMF's main shortcoming is lack of money. Though its resources, which were seriously depleted by the Mexico and Brazil operations, are likely to be increased by 50%, to more than $90 billion, through greater member contributions, that might not be enough to contain a worsening rate of near defaults. While a richer and stronger IMF might boost banks' confidence to a degree that they would continue lending, objections focus on fears that a strengthened IMF could worsen the situation by demanding of borrowers austerity measures so harsh that the moves would spark political unrest.

Even if some of these suggestions are implemented, they will not douse the debt-bomb fuse. But they will help defer new crises and buy time until an economic upturn does occur. For the moment, all that can be done is to encourage the debtor countries to practice as much austerity as is feasible and to exhort the banks to continue debt rescheduling and new lending, even if that perpetuates the illusion that the debtors are not yet bankrupt and leaves them owing ever more money. Says Chairman Volcker: "What is especially important is that all the participants achieve a high degree of common understanding, recognizing the potentialities and the limitations of each for action. On the basis of that understanding, we can then deal forcefully and effectively with the problems at hand." That scenario is one on which the world's bankers are staking the future. Crossing their fingers all the way. —*By Jay Palmer. Reported by Gisela Bolte/Washington, Lawrence Malkin/Europe and Frederick Ungeheuer/New York*

Giant excavator gouges a channel across savannah to divert the White Nile River

A dozen buckets on a 40-ft. wheel move the earth

Environment

Sarah Digs a Great Canal

A $260 million waterway for the remote southern Sudan

In the midst of green savannah stretching undisturbed for miles lumbers a Rube Goldberg–like contraption garnished with walkways, conveyor belts, pipes, vents and ducts. With squeaks, clicks, belches and groans, it lurches forward, a 40-ft.-tall wheel revolving at its side. The twelve buckets along the wheel's rim gouge out the earth and occasionally hurl wayward chunks of clay high in the air. Close by, groups of near-naked black tribesmen stand with spears in hand, staring in wonder

This curious spectacle has occurred almost daily since July 1980, when digging began on black Africa's biggest current engineering project: the excavation of the Jonglei Canal in southern Sudan Scheduled for completion in 1985, the canal will be one of the world's longest artificial waterways, stretching an imposing 220 miles

The Jonglei project, named after the nearly inaccessible province it crosses, is being built to carry needed water to Sudan's arid north and to Egypt. The channel could irrigate some 600,000 acres of land by diverting 30% of the flow of the White Nile River, as much as 5.2 billion gal. of water a day, around the Sudd, a vast swampland in southern Sudan

The Sudd, Arabic for barrier, is aptly named. Its central 7,000 sq. mi. are permanently clogged with reeds and papyrus and infested with 63 species of mosquito From May to October, the White Nile floods and temporarily extends the swamp another 4,300 sq. mi. Says Daniel Yong, a member of the area's nomadic Dinka tribe and a Jonglei Canal project official: "In the rainy season there is water everywhere, but in the dry season you can die of thirst." The Sudd proved an obstacle to 19th century explorers, but today it is more of a hindrance to economic development. It can take a year for water entering the swamp to course through twisting channels; during that time, half of the precious liquid evaporates or is absorbed by plants

Dinkas celebrate with beads and paint

An impact on nomads and wildlife

A canal skirting the Sudd was first envisioned by British colonial administrators at the turn of the century. The current $260 million project is being built by a French consortium, the Compagnie de Constructions Internationales (CCI). To dig the 15-ft.-deep, 170-ft.-wide channel, nearly half of which is now excavated, CCI is using 20 bulldozers, five road graders, three cranes and five shovels. The star performer is clearly "Sarah," a West German–built excavator that was named after a Sudanese official's daughter. By the time the Jonglei Canal is finished, the bucket wheeler will have moved 3.5 billion cu. ft. of earth, enough to fill the Great Pyramid more than 38 times. Getting the eight-story-high, 2,300-ton excavator and its 1 million spare parts to Sudan, the largest nation in Africa and independent since 1956, was a challenging task. The machine had been in Pakistan, where it was used to dig a passage between the Indus and Jhelum rivers; it had to be broken down into 742 components for transport by ship, rail and barge

Base camp for the project's 60 European, 45 Pakistani and 1,000 Sudanese employees is a prefabricated village erected at the juncture of the Sobat and White Nile rivers. Jokingly referred to as "Sobat Club Med," it boasts an airstrip, swimming pool, hospital, club and a French school with 40 European children. Cheese and fruits are imported from France. Says Christian Coupechoux, the project director: "Sometimes we run out of beer and whisky, but we never run out of wine." Still, life is grim. Armed bandits, holdovers from the Sudan civil war of 1955-72, harass workers. Illness is rife: Coupechoux's predecessor died early last year of malaria. Even more distressing are the unrelieved isolation, heat and monotony

Says Pierre Blanc, the project's technical director: "It's like living on an island, only worse."

Predictably, the project has drawn some critical fire. Many southern Sudanese, who are black and often Christian, resent the diversion of their water to benefit the traditionally dominant Muslims of the north and of Egypt. But Sudanese officials say construction of the canal and a parallel all-weather roadway will aid the 6 million inhabitants of the south, enhancing communications and encouraging economic growth.

That prospect, however, leaves some experts uneasy. Opening up the region to commerce is sure to undermine the cattle-herding societies of the estimated 1 million Dinka and Nuer tribesmen who roam the Sudd. "But most of the traditional people want to change," contends Jonathan Jenness of the United Nations Development Program. "They don't want to be hungry, sick and uneducated and, most important, without political clout."

Another worry is that the channel will upset the migration patterns of wildlife, particularly antelopes. To minimize the canal's impact, 160 miles of the waterway will have gradually sloping embankments to permit animals to swim across.

The issues raised by the digging of the Jonglei Canal are so complex that many environmentalists caution against any predictions. Not so British Biologist Stephen Cobb, who headed one Jonglei survey team. "It won't be the disaster as first suspected," he says. "On balance, it is going to make life better for a lot of people." ***—By Anastasia Toufexis. Reported by Robert C. Wurmstedt/Jonglei***

No Free Lunch

A new look at solar energy

Sun, wind and water have all been hailed as cheap, renewable and benign alternatives to oil, coal and nuclear plants. Now comes a warning from a bastion of environmentalism, the National Audubon Society, that even ecologically favored, so-called solar sources of energy can have serious drawbacks.

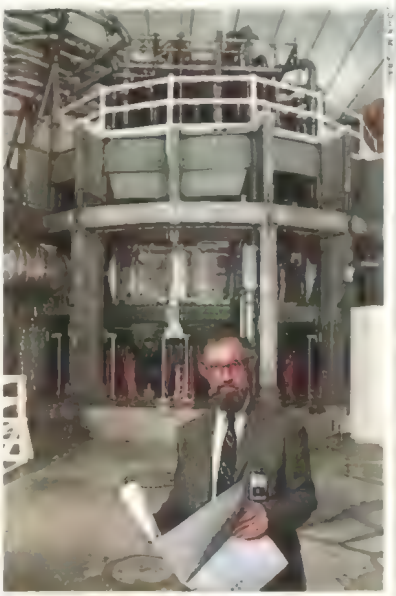
In a report issued by the society, Physicist Larry Medsker of the New Jersey Institute of Technology surveys nine renewable energy sources and finds that all have potentially unwelcome, occasionally even hazardous, side effects. The burning of wood can deplete forests and increase air pollution. Building towers to harness wind may disrupt wildlife habitats and the migratory flights of birds. Fires in homes with photovoltaic cells can result in the release of noxious fumes. And direct use of the sun could add to urban sprawl since collection devices are not as efficient in high-rise apartments as they are in small houses.

As Russell Peterson, Audubon Society president, sums it up, "Even with solar energy, there's no such thing as a free lunch." ■

On the Road to Star Power

A new fusion reactor passes its first important test

Long after most workers in the lab at Princeton University had gone home for the night, scientists and engineers were still on the job, putting the finishing touches on the three-story-high, 1,500-ton behemoth of steel and wire. Finally, after hours of tinkering, they began their countdown. At exactly 3:06 a.m., the huge, cylindrical-shaped machine started operating. As powerful electrical currents surged through its magnetic coils, the gases in its circular vacuum chamber heated up to temperatures of 100,000° Celsius. The test lasted barely one-twentieth of a second, but it was enough to set off cheers and the pop of champagne corks.



Physicist Furth and Princeton's Tokamak
Like Columbus finding the New World.

The ceremony marked an important step on the long road to harnessing nuclear fusion and taming the power of the stars. The Princeton Plasma Physics Laboratory had successfully turned on the first of a new breed of experimental reactors that could point the way toward a limitless source of energy. That goal may be decades off. But, as Presidential Science Adviser George Keyworth noted last week, the machine's initial burst was "an essential milestone."

Under Einstein's famous formula $E=mc^2$, matter can be converted into energy in two ways. In fission, the process at work in existing nuclear power plants, the nuclei of large atoms, like those of uranium or plutonium, are split, releasing the energy that binds them together. In fusion, nuclei of hydrogen, the simplest of all atoms, are squeezed together to form helium, also releasing energy. Though fusion occurs in hydrogen bombs, scientists have struggled for more than 30 years to achieve it in a slow, nonexplosive way. Unlike fission reactions, fusion produces short-lived, easily disposable radioactive debris. It also depends on a form of hydrogen, deuterium, easily obtainable from sea water.

In the U.S. and abroad, physicists are experimenting with lasers and electron guns to pound hydrogen nuclei together. But the most promising technique, and the one at work in the $314 million Princeton machine, is based on an idea suggested in the early 1950s by Soviet scientists, one of them Andrei Sakharov, the human rights activist. The scheme employs magnetic fields to hold and compress hydrogen gases inside a doughnut-shaped chamber until they reach temperatures of about 100 million° Celsius, seven times as hot as the sun's interior. Until now, the reactors, like Thermos bottles that are too small, have been unable to contain the heat long enough.

With the bigger Princeton machine, known as the Tokamak Fusion Test Reactor (Tokamak is a Russian acronym for a toroidal, or doughnut-shaped, magnetic chamber), physicists hope to overcome that hurdle. As powerful magnetic fields squeezed and heated the hydrogen atoms, they were stripped of their electrons, creating what physicists call a plasma, the first step in a fusion reaction. Although the plasma's temperature was only a fraction of the 100 million° Celsius needed to bring the atomic nuclei together, the lab's director, Harold Furth, explained, "It's like Columbus finding the New World. It's not how big it is, but that he found land." By 1986, after installing additional heat sources—giant ion guns—the scientists expect to reach a plateau known as "scientific break-even." This is the moment when the amount of energy pumped into a reactor equals the energy produced by it.

If the machine achieves break-even, which is also the objective of reactors under construction in the U.S.S.R., Britain and Japan, Furth and his colleagues may get the go-ahead for a more advanced Tokamak, costing at least $500 million, that could achieve a self-sustaining fusion reaction. This is the magical stage in which fusion produces enough heat to sustain further reactions without external heating. Still, not even optimists like Furth foresee a commercial fusion reactor in operation before the year 2020 ■

The Grail Came Parcel Post

There is plenty to cheer in Kate Nelligan's acting in Plenty

The way most actors tell it, success is the Holy Grail, achieved only after pain, struggle and years spent waiting on tables between auditions. Kate Nelligan, on the other hand, has to think of other conversational gambits. To her the Grail came parcel post, wrapped in bright holiday paper and crowned with a bow the size of a best-acting award. She has, in short, never had to pant after a part and rarely received so much as an unkind word from a reviewer. What she has experienced is the acclaim of the London critics, and after her new play, David Hare's *Plenty*, opened off-Broadway in October, almost embarrassingly ecstatic reviews in New York as well.

This week, when *Plenty* opens at Broadway's Plymouth Theater, there will doubtless be more gushing. Though the play has flaws, Nelligan seemingly has none. Her performance is so unique, mesmerizing and shattering at the same time, that it is hard to imagine anyone else in the role. She plays Susan Traherne, who as a girl of 17 was dropped behind German lines in France to work as a British courier. The character is never able to recapture the purity of her wartime zeal. As the play follows her through the next 20 years, shifting backward and forward through time, her personality hardens into madness, and she brings ruin not only to herself but her husband, who is movingly played by Edward Herrmann.

"It's a great role," says Nelligan. "Susan has great power and is one of the most truly glamorous characters in the world, very sexy but saying to the world, 'If you touch me, I'll kill you.' Four years ago, when I was 27 and doing the part in London, I overplayed the power. I now allow more light in the power and permit myself to be more attractive in the early scenes. You tend to carry things lighter as you get older."

One of the keys to Nelligan as an actress, says Joseph Papp, whose Public Theater brought *Plenty* to the U.S., is her "tremendous self-confidence," and that, apparently, is something she has always had. Brought up in London, Ont., where her father worked for the city parks system, she seems to have been bottle-fed self-esteem. "There were six children," she says. "But my mother always made me feel that I would do something important, which stood me in good stead." She cannot remember a time when she did not work hard, and when she was only 16, she entered the University of Toronto. That is where she discovered the theater.

As Nelligan describes it, there was no flash of light when she first stood on a stage, no epiphany or dreams of glory. Just the opposite: she was comfortable. "I didn't feel elated or ecstatic, just at home." She wanted to stay in such a pleasant place—the theater, that is. In her second year, she auditioned for London's Central School of Speech and Drama, which was seeing applicants at Yale. She was accepted, but then ran into a problem: insufficient funds.

At this point, Nelligan did what probably no actor had ever done before. She sent letters to 150 patrons of the arts in her home town and elsewhere, describing her qualifications and asking for a subsidy. Surprisingly, a local family came through with her tuition and she was off to England. Her next major hurdle was her accent, and she decided not only to sound English, but to be English. "I wanted to work in Britain, and I did what was necessary. Once I made the decision to adopt that speech, it became mine." Three weeks after she graduated from the Central School in 1972, she landed a job with the Bristol Old Vic Company.

Her link with Hare, who was then a fledgling playwright in his mid-20s, dates from 1973. Although they were apparently never involved romantically, they established a professional bond, and she has held the lead in four of his stage and TV plays.

Acting in Hare's plays has given her a showcase allowed few other actresses. She has been unlucky in her films, which include the execrable *Dracula* (1979) and *Eye of the Needle* (1981). She received more attention in the BBC production of Emile Zola's *Thérèse Raquin*, but it is her work for Hare that has brought her to the first rank. *Plenty* indeed might have been written for her. "Kate's best when she is playing single-mindedness and strength of moral feeling," says Hare. She has, in addition, an acting range few of her contemporaries can match: she is cerebral and sensual, and her smile, which is always quite dazzling, can both chill and warm. Whatever character she plays she invests with a strength of mind and passion, and probably the only role she would have difficulty playing would be that of a totally weak woman.

MARTHA SWOPE

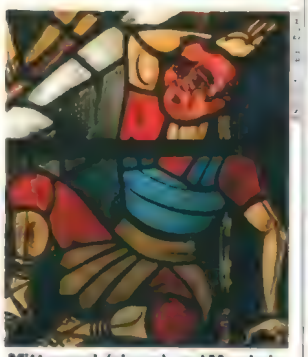
The star as Susan Traherne in one of her happier moments

An accent reclaimed and a strong view of the world

If you tend, as she says, to carry things lighter as you get older, you also tend to look back, as well as forward, and that is what Nelligan is doing now. A few years ago, she was saying that London is the only place in the world for an actress to be. At 31, however, she is disenchanted with England and longs to work in America. "In retrospect I'm not sure I should have gone to the lengths I did in becoming English," she confesses. "I gave up too much. I sacrificed relaxation, humor, kindness, classlessness, democracy."

In 1981 Nelligan returned to North America, reclaimed her native accent and became involved with an American film technician. She also made the first feature film in which she played an American. Scheduled for release in March, *Without a Trace* is loosely based on the tragic story of Etan Patz, a six-year-old boy who disappeared on his way to a Manhattan school three years ago. When *Plenty* ends its run March 27, she wants to make one more film to establish a career as a movie actress. She then wants to take time out to start a family. "I intend to have a family," she says, firmly, indisputably. "I must. I will." And, on the record so far, she will do it, and anything else she wants to do. Her friends can start knitting booties. —***By Gerald Clarke. Reported by Elaine Dutka/New York***

People



Mitterrand, (above), and Marchais

From all over France the curious have been making their way to Izé in the Loire Valley, eager for a glimpse of the new stained-glass windows in the village church. These pilgrims are in search not of religious inspiration but of a chuckle. When the chapel was rebuilt four years ago, a glassmaker from Tours had a little private fun as he created the new windows with a touch of Gallic wit. Flanking Jesus in the Resurrection scene on one of the windows are two Roman guards dressed in gladiatorial drag and bearing the distinct likenesses of French President **François Mitterrand** and Communist Party Leader **Georges Marchais.** No one noticed at first, and now Father Louis Hubert and his parishioners are content to let them be. "There were a few nasty souls," says Father Hubert, "who intimated that Jesus bears a strange resemblance to [former President Valéry] Giscard d'Estaing. But that is false—absolutely false."

In the midst of a disappointing season for new plays, Manhattan stage producers are relying on a gimmick to sustain interest in current hits: hiring pop-identifiable personalities to take over major roles. To wit, **Debbie Reynolds** will replace **Raquel Welch** who replaced **Lauren Bacall** in *Woman of the Year*. Teenswooner **Andy Gibb** is now headlining Broadway's *Joseph and the Amazing Technicolor Dreamcoat*, and yes, no less than **Bert Convy,** the chirpy host of TV's *Tattletales*, is replacing **Raul Julia** for two weeks in the musical *Nine*. Of all the recent replacements, however, the most interesting may be **Morgan Fairchild,** 32, who last week joined the cast of the off-Broadway comedy *Geniuses*. Morgan steps into the role of a leggy, not-so-dumb blond up for a nude walk-on in a grossly expensive epic war film. Fairchild is working for scale ($195.80 a week) to break out of the blitz of vixen parts that Hollywood has offered since her bitchy role on television's *Flamingo Road*. "All they want you to do is run around in pants and a halter top," says the actress, who wears mostly that in *Geniuses*. "But it's theater," she argues, "and it's funny, and I like the play a lot, and that's the difference."

■

When **Princess Grace** of Monaco died last summer in an auto crash, her brother **John B. Kelly Jr.,** 55, led the members of their prominent Philadelphia family at the funeral. Last week Kelly was shot by a mugger near a gas station in Fort Lauderdale, Fla. The onetime Olympic oarsman, in town to give a rowing demonstration, was making a call from a phone booth when he was approached by a man with a small-caliber revolver who demanded money. Kelly tried to push him away, and the man shot him in the thigh. Kelly's doctors at the Broward General Medical Center reported that there apparently was no permanent damage and that he could soon return home.

■

Before there was a "good ol' Mare" on the *Mary Tyler Moore Show*, even before her role as Laura Petrie on the *Dick Van Dyke Show*, there were the legs. They were the shapely stems seen in the old TV detective chestnut *Richard Diamond*, and they were the props that enabled **Mary Tyler Moore** to get chorus-line jobs on television's *Jimmy Durante Show* and *Eddie Fisher Show*. But those dancing days were, sorry to bring it up, 25 years ago. Now living in New York City, Moore, 45, decided to see if she could still cut it with the other chorines in workout sessions with the New York City Ballet. "It's at once inspiring and demoralizing," says she of stretching with the best. But few are better at executing a well-pointed split. Says Moore: "Eat your heart out, Jane Fonda."

—By E. Graydon Carter

Fairchild in costume for her role in the off-Broadway play *Geniuses*

Moore showing her old form with morning ballet workouts

On the Record

Alexander Haig: "I'm trying to write a book that is informative and readable, without any kiss and tell. Of course, that's exactly opposite from what the publishers want."

Reginald Gilliam, vice chairman of the Interstate Commerce Commission, on perceptions of black success: "Your degrees, your clerkships, your previous positions that often predate the Equal Employment Opportunity Act, all may be explained away by 'EEO,' a modern-day acronym for nigger."

A gallery of summer dresses suggesting Newport, R.I., and grander days from the Metropolitan Museum's "La Belle Epoque" show

Puttin' on the Ritz in Gotham

Two exhibits celebrate the giddy heights of fashion

On one point, anyway, there can be no argument. "La Belle Epoque," the new show of period high fashion organized by Diana Vreeland for New York City's Metropolitan Museum of Art and underwritten by Pierre Cardin, is an eyeful and a noseful. The eye is ravished by a theatrical assembly of more than 150 women's, men's and children's costumes, representing thousands of yards of fabric coaxed into stunning shape with a skill and diligence that today cannot be had anywhere outside of major surgery. The olfactory nerve, meantime, gets a good working over from L'Heure Bleue, a Guerlain scent that is sprayed every morning throughout the galleries. The senses reel. They are meant to. This is not art—if clothes may be called art at all—meant to be pondered and absorbed. This is curatorial show business of a particularly shrewd order. With the humble addition of a light show and the sale of pharmaceuticals at the ticket counter, "La Belle Epoque" could be honestly promoted as a real time trip.

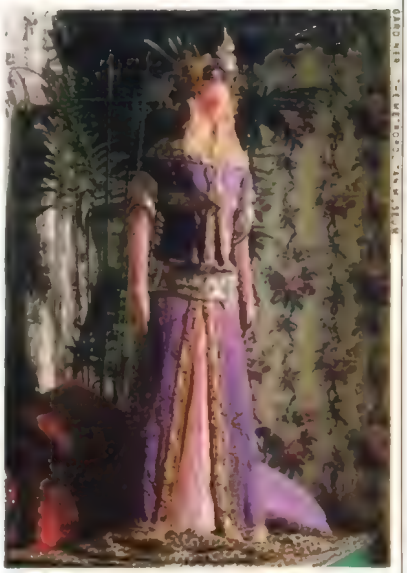
OSCAR ABOLAFIA

Vreeland exhibiting

Vreeland's ten previous collaborations with the museum's Costume Institute have been both hot tickets and publicity bonanzas, and "La Belle Epoque" shows every sign of being a smash too. The women's gowns of the era, which by Vreeland's chronology developed in the last half of the 19th century and ended on the eve of the first World War, were opulent and imperial. They may have been the most extravagant fashion since the court of the Sun King. Worth, Doucet, Callot Soeurs, Poiret: the great fashion houses are all represented with gowns and dresses that seem to challenge, in some cases even exceed, the outer limits of craftsmanship. Who would have thought it possible for a bodice to be shaped in such a way, or for silk to fall so unhurriedly, like a dove on a light wind? The clothes of this period were an exercise in sensual extravagance, not only of highflying technical virtuosity but of high-flown social aggression. A gown by Worth was more effective than a quip that silenced a rival. Its beauty seemed inviolate: 19th century social armor

The sensual suffocation of these grand clothes was modified and ventilated for outdoor wear. The looseness of a mohair duster, the easy lines of a woman's blueserge bicycle suit, even a white wool polo coat from Brooks Brothers, all prefigure a less restrictive notion of sophistication. The summer whites of Newport are as dazzling to a contemporary eye as a violet satin costume brocaded in gold and silver, supposedly worn by Sarah Bernhardt

There is a grandiose theatricality about the entire exhibition that, ultimately, gives the clothing a secondary role. For



Satin that might have costumed Bernhardt

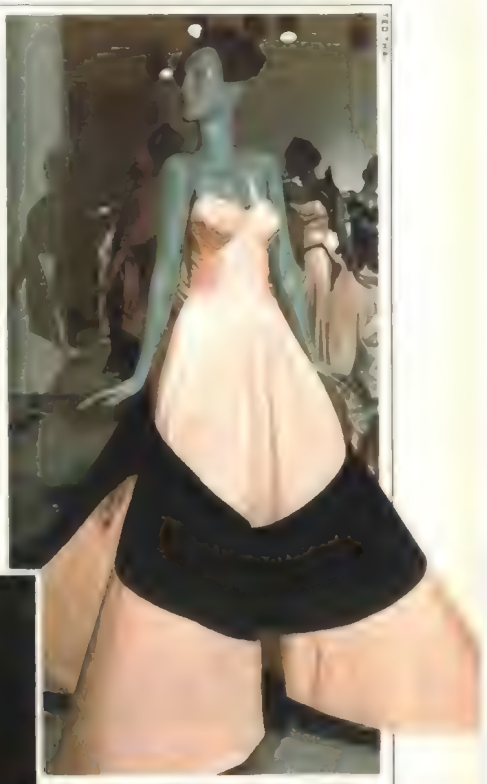
all the sensory overload—the perfume, rooms decorated (courtesy of Cardin) to look like Maxim's, the Offenbach piped in like a sound track for an ancient travelogue—"La Belle Epoque" is less an evocation of mood or an exhibition of high style than it is an exaltation of swank, of money, of society. In that sense it is about fashion, not clothes, historical re-creation without historical perspective.

There is no attempt to describe or delineate a house style, to demonstrate how a gown by Worth might be designed or constructed differently from a gown by Paquin. Paul Poiret, one of the first mod-

ernist dress designers, is represented in this show by five pieces, but anything that made Poiret daringly innovative is smothered here in the general ambience. In this great age of squeeze, tie and whalebone, Poiret even made dresses to be worn without corsets, but this idea, and all others, goes unremarked by the exhibitors. They busy themselves instead compiling identifications for each garment that list first the fabrics of the dress, then its owner. The designer or the house that made the dress is relegated to smaller type. That is fitting enough, perhaps, for a show so smitten with what used to be called society. Nostalgia may waft through these corridors like L'Heure Bleue, but it is based in longing not for a vanished elegance but for trammeled privilege and status cut on the bias. Remembrance of rank past.

In contrast, "The Genius of Charles James," which opened at the Brooklyn Museum and travels to the Chicago Historical Society at the end of April, is a model—simple, detailed, elegant and a bit fanatic—of what such shows should be. It encompasses the work of one of the very few great designers America has produced. Starting in the late 1920s, James labored in a fine frenzy within the airy precincts of *haute couture*. He believed himself to be an artist, the equal of anyone who created with paint or plaster, and he died at 72 in 1978, just like the burnt-out creator of so much contemporary myth, broke and broken, working out of a cluttered, crumbling studio at Manhattan's Chelsea Hotel. The show contains some 50 pieces, each a practical study in suspended line, upended gravity and undiluted elegance.

His clientele included Standard Oil Heiress Millicent Rogers, Lily Pons, Gypsy Rose Lee and assorted acolytes of high society, and this show, too, takes undue pains to pat the backs that were once adorned by James. But where Vreeland bows deep, the Brooklyn Museum's curator of costumes and textiles, Elizabeth Ann Coleman, nods briefly and moves on; she keeps the major focus fixed on clothes. James' designs had spiritual roots in the Belle Epoque, but their bold architecture makes them look right up to the minute—or, in the case of some dresses on display, just ahead of it. In 1937 he designed a quilted evening jacket of white satin that he filled with eider down. Salvador Dali called it the first soft sculpture (Was Claes Oldenburg listening?), and James himself thought his design had inspired the U.S. military when they needed heavy-weather gear. Indeed, James frequently thought that he was being knocked off, especially by the vulgarians on Seventh Avenue. Undoubtedly he was. No one, however, could reproduce his 1937 evening mantle made of pre–World War I ribbons or his grand ball gowns. Like his "Abstract" gown of 1953, they were all fashioned with a mathematical precision and structural daring that made them distinctly contemporary and distinctively James. His signature was as bold as, say, Alexander Calder's.



The epitome: "Abstract" gown, 1953

Early James: ribbon dress and cape, 1937

Sensual architecture for evening, 1954

With his customary calculated hyperbole, James once called himself a "sartorial structural architect," and some of his gowns were constructed on the body like suspension bridges. His creations could weigh as much as 18 lbs. Recalls a client: "He was sometimes so entranced by the shape he was 'sculpting' over one's own shape that when the dress arrived finished it was impossible to get into it. It existed on its own."

James conducted a simultaneous flirtation with and excoriation of the mass market, and seemed to be the very model of Hollywood's stereotypical fashion designer: compulsive, effeminate, occasionally hysterical, frequently hectoring, always demanding. Franklin Pangborn kissed by the furies. The exemplary catalogue for the show features an excellent introduction to James' life and creations by Curator Coleman, some reminiscences by James' clients and Photographer Bill Cunningham, and a long, detailed grouping of his work, including many pieces not in the exhibit. "The Genius of Charles James" tends to his more extravagant creations. It skimps on his coats, for whose easeful geometry he was particularly renowned, but it does still manage to convey not only the spirit of a great designer but a suggestion of his essence. And anyone who wants to argue that a maker of fashion can be an artist could do no better than to start here. The ground in the vicinity seems particularly firm underfoot.

—*By Jay Cocks*

Charles I in Three Positions, circa 1637: subtle tensions within a world of delectable surfaces

Dramas of Self-Presentation

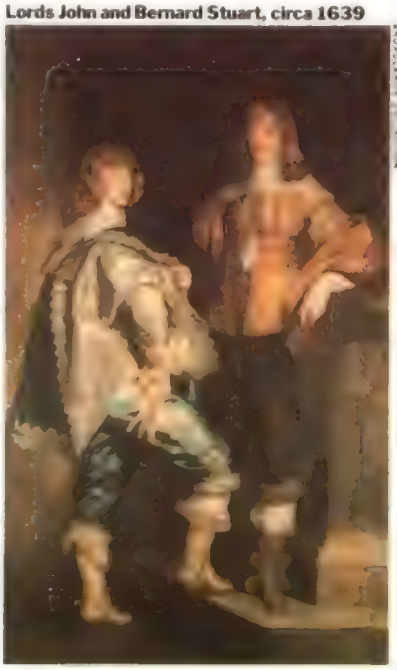
In London, a show of masterly formal portraits by Van Dyck

The peculiar achievement of Sir Anthony van Dyck was to have invented the English gentleman—not the mild, knobbly, pink creature one sees beneath its bowler in the street, but the now vanishing archetype of aristocracy, calm and straight as a Purdey gun barrel, with the look of arrogant security guaranteed to paralyze all lesser breeds from Calais to Peshawar. This invention began in 1632, when Van Dyck, an ex-assistant of the greatest court painter of his age, Peter Paul Rubens, arrived in London. It ended with his death at the age of 42, in 1641. In between came seven years of service to the court of Charles I and his wife Queen Henrietta Maria, during which Van Dyck attained the kind of success that few artists of the time could imagine. Inundated with commissions, eulogized by poets, fluent and tireless, he helped set the cultural standards of the Caroline age.

Standing before Van Dyck's work, as a patron wrote to him, one felt "the Luck to be astonish'd in the righte Place." The current exhibition of Van Dyck's English portraits, organized by Art Historian Oliver Millar at the National Portrait Gallery in London, shows how well Van Dyck's fluency has lasted. It is a delectable exhibition, though cramped and clumsily installed, and it makes one realize how far the tradition of formal portraiture has declined since the days when Van Dyck epitomized it.

Certainly, Van Dyck knew how to make his sitters look handsomer than they were. Any cosmetician can do that; it is part of the ordinary transaction that painting and photography have with reality. Before photography, when one's idea of a strange face had to be set up by painting, the disparity between the evidence of the eye and the speech of the brush could sometimes come as a shock. One of Prince Rupert's sisters, who knew Queen Henrietta Maria only through the portraits of Van Dyck, was dismayed to meet a short woman with crooked shoulders, spindly arms, and teeth that stuck out of her mouth "like guns from a fort."

Lords John and Bernard Stuart, circa 1639



Another of Van Dyck's clients, however, the Countess of Sussex, lamented that he had made her look "very ill-favourede," stout in the cheeks, like one of the winds huffing and blowing. "But truely," she conceded, "I thinke it tis lyke the originale." The fact is that flattery is not a word that can quickly be defined, at least in portraiture. How it is used, what it means, depends on how the sitter feels about himself and how posterity will feel about the sitter. Our own bias, in a post-Freudian age, is toward portraits that show a "truth" about the sitter that the sitter was not willing to admit. But that is not how the portraitists of the 16th, 17th or 18th centuries saw their work.

Portraiture was a description of public roles, as well as a (necessarily discreet) essay on the private self. The unsparing vision of the later Rembrandt self-portraits was the exception in Baroque art, not the rule. In Munch or Van Gogh, portraiture resembles a siege laid to the Self by the Other. In Van Dyck or Reynolds, portraiture is diplomatic agreements between truth and etiquette, between private opinion and public mask. Since the Self is the sacred cow of today's culture, we are apt to find this less "interesting" than fictions of interrogation and disclosure. But that is our problem, not Van Dyck's. It is also, of course, why we have no formal portraiture of any value.

In looking at portraits, we project ourselves on the past. We routinely call Velásquez's pictures of dwarfs "compassionate," not because we know what Velásquez felt about dwarfs but because we believe we ought to feel sorry for the deformed. We like to detect ferocious antimonarchical satire in Goya's royal portraits, although the Spanish royal family was delighted with them and nobody at court thought them at all irreverent.

With Van Dyck, the question of flattery remains elusive, as it must with all great portraitists. Thus if one were to isolate the left-hand profile of Charles I from the triple portraits Van Dyck made to guide Bernini, a thousand miles away in Rome, in carving the bust of the monarch he had never seen, a Cromwellian might have much to say about it, starting with the sensuous coarseness of the nose, the air of shattered weakness suggested by the modeling of the mouth. Yet all that is questioned by the face-on portrait in the center, and refuted by the melancholy, angelic refinement of the King's three-quarter face on the right. If one wants to have a king, one would want him to look

like that. Perhaps no 17th century portraits of exalted men (not even Rubens') display a more intense awareness of the nuances of skin as it stretches over bone and sags, or is drawn into the hollows of the skull: mobile, labile, silken, it becomes a façade of extreme expressiveness. No wonder that this painting was acclaimed, "not only," as a contemporary put it, "for the exquisitenesse of the worke but the likenesse and nere resemblance it had to the King's countenance."

Three kings within a King; a secular version, almost, of the Trinity, and implicitly a reminder of the divine right of kings. The grand military portraits are more straightforward; for example, the Earl of Strafford, lord lieutenant of a colonized island, erect in dark glittering armor and soft boots, worshiped by a huge Irish wolfhound—a direct quote from Titian, but with local political undertones. In such works one sees Van Dyck, as a London reviewer has remarked, "take British art by the seat of its Tudor hose and pull it into the modern age," or at least the Baroque one. No portraitist had more influence on the way the English presented themselves to the gaze of others. Without Van Dyck there would have been no Reynolds or Gainsborough or Sargent: it is almost as simple as that.

Before Van Dyck, English portraiture was stiffer and simpler. The single figure was composed around its own central axis, body and head facing declaratively toward the spectator: Here I am, this is all. With Van Dyck, portraiture became a drama of self-presentation, whether rhetorical or inwardly nervous. Part of his skill was to convey the illusion that the sitters, not he, had invented their poses. Bodies twist, elbows are cocked, eyes become as deft as those of fencers, and the entire surface—cheek, lace, sword hilt, foliage, silk, the clenched hand and the soft quatrefoil of suede that rests on boots like a leather butterfly—is alive with touch.

Van Dyck's most memorable portraits, to a modern eye, are those that set up a feeling of subtle tension inside this world of delectable surfaces. Thus with the full-length image of the two golden sons of the Duke of Lennox, Lords John and Bernard Stuart. "Most gentle, courteous and affable," a memorialist called one of them, "and of a spirit and courage invincible." On one level the portrait is an essay on rank, arrogance and the dauntlessness of youth. Lord John, on the left, proclaims his rights as elder brother by standing a step above Lord Bernard. But the rhythms of the design link them intricately together, and the gaze of superb, pale indifference Lord Bernard throws over his shoulder has the security of a rare animal looking at another and less interesting species. A few years later, both were dead in the Civil War. As usual, only the portrait remains, a shadow, like the rest of Van Dyck's English work, of the most sophisticated court that England ever possessed. —*By Robert Hughes*

Cinema

Confessions of a *Femme Fatale*

At 48, La Bardot strips away the legend

Brigitte Bardot has finally found it. Not the perfect man (*Mon Dieu, c'est impossible!*), but something else that has always eluded her: the perfect role. After purring and pouting her way through countless films as the sultry *femme fatale* who could resist anything but temptation, Bardot has turned herself into another French institution, the wise and slightly world-weary *philosophe*. *Voilà!* At 48, the sex object has become an *objet d'art*.

Each Sunday night for the past three weeks, millions of French viewers have tuned in to a three-part, three-hour documentary in which Bardot bares herself for the first time while keeping her clothes on. Titled *Brigitte Bardot Quelle Telle* (As She Is), it splices together old photos, newsreel footage and film clips along with Bardot's own reminiscences and observations on the legend of B.B. In her finest performance, the woman of the world reveals an otherworldly quality of wistfulness and sadness.

Bardot recalls her early childhood as the proper *jeune fille* of an affluent father who once whipped her 50 times. ("I felt like a stranger in my parent's house. That's perhaps why I have had so many houses, houses I have bought myself, to feel at home.") It was Roger Vadim who first saw an international sex symbol in the guise of an ingénue of 15. He became her husband and Svengali. ("I was not used to such handsome men . . . I was so shy, a little girl still. I wore white socks and a sophomoric white collar and tie.") In the film *And God Created Woman* (1956), which he co-wrote and directed, Vadim stripped her of her stockings and everything else, turning her into an international sensation. Over the next 17 years she was to make some 25 films and become France's most ogled export.

Bardot's public life merged with her private life. On-screen and off, she rebelled against straitlaced convention. Continually besieged by the press, she blames journalists for destroying her second marriage, to Actor Jacques Charrier. ("You have no idea of what it was like. We couldn't do anything. Everything was deformed and blown up out of proportion by the press.") The marriage produced Bardot's only child, Nicolas, now 22. But the role of mother proved impossible for her. ("I couldn't bring up Nicolas. I couldn't possibly have looked after a baby. I needed a mother. The mad existence I led, crying all the time.")

A classic pout in 1965; an eyebrow for a young admirer today

"I was so shy, a little girl still. I wore white socks and a white collar.

Bardot's two great hates are photographers and the destruction of wildlife. She attributes her sympathy for the latter to her abhorrence of the former. ("I hate photographers. They don't allow us to live . . . That's why I can understand wild animals being pursued by men with rifles. Zoom lenses are like weapons.") Today, when she is not campaigning for baby seals, she divides her time between her Saint-Tropez villa and a farm just west of Paris.

In the last installment, Bardot's thoughts turn morbidly moralistic. In a husky whisper, the legacy of a lifetime of Gauloises, she confesses that she thinks about death every day. ("It must be our punishment. And we deserve it. It's the decomposition that gets me. You spend your whole life looking after your body. And then you rot away, like that.") Though her *pensées* may not rival Pascal's, they do show that Charles de Gaulle was right when he remarked that Brigitte Bardot "possesses a sterling simplicity." ■

Postfeminism: Playing for Keeps

From novels to humor, women are moving beyond doctrine

At the end of the 1970s, Joyce Carol Oates was hardly alone in wishing for more than a feminist monotone from a number of American women writers. "I anticipate, in my idealism," she wrote in a 1980 contemplation of the future, "novels by women that are not women's novels."

The waiting is over. While some, like Marilyn French *(The Women's Room)*, continue to dissect the feminine psyche and situation, a growing cadre of women has enlarged and honored the literary mainstream. Their books, characterized by less dogmatic treatments of both men and women, and with themes expanded to include family, children and political events, are what New York City Literary Agent Lynn Nesbit calls "postfeminist writings."

That work is attracting a new and concentrated attention. The last time a constellation of equal prominence appeared was in the Great Depression era, when talents as varied as Pulitzer-Prize-winning Novelist Edna Ferber, Poet Marianne Moore and Experimentalist Gertrude Stein were among the decade's most prominent literary celebrities. But they worked in an era less obsessed by the politics of gender. Today, says Simon & Schuster Editor in Chief Michael Korda, "women writers are being noticed more because more attention is being paid to women as a group."

The astonishingly prolific Joyce Carol Oates (35 books of fiction, short stories and poetry in 19 years) leads the way. Perhaps the best-known serious woman novelist in the nation, she made the bestseller list last year with *A Bloodsmoor Romance*, a lengthy parody of 19th century genteel genre writing. Sample: "Having no capability, and, indeed, no desire, so far as graphic descriptions of 'love embraces' are concerned, I shall make no attempt to sketch for the repelled reader precisely how The Beast (sexual desire) emerged to make a loathsome mockery of the love declarations, kisses, caresses, and other amorous indulgences which transpired between Malvinia and Mr. Twain, in Malvinia's sumptuously appointed bedchamber." Oates, 44, outdistanced feminism long before it was fashionable to do so, taking her themes from headlines. *Them* (1969) explored the roots of violence by reconstructing the 1967 Detroit race riots. "War, rape, murder and the more colorful minor crimes," she complained then, "evidently fall within the exclusive province of male action." Now a professor at Princeton, after years of teaching in western Ontario, Oates is currently at work on a mystery novel. A book of her essays, *The Profane Art*, will appear later this year. The author of *Wonderland* (in which a medical student cannibalizes a cadaver) has not identified with feminine fantasy since childhood. "I learned long ago that being Lewis Carroll was infinitely more exciting than being Alice."

So have a number of her colleagues. In *Final Payments*, Mary Gordon broke through the hermetic world of the American Irish-Catholic family. Maxine Hong Kingston *(China Men)* has revealed the Amerasian experience from the inside. Novelist Toni Morrison *(Tar Baby* and *Song of Solomon)* marched past the sit-ins to the kitchens and bedrooms where black men and women battle and lose. Another talented black writer, Alice Walker, 38, has won attention with her third novel, *The Color Purple*. The Sarah Lawrence College–educated daughter of a Georgia sharecropper structures her tale as powerful "letters addressed to God," recorded over a 40-year span by a nearly illiterate heroine. Raped by her father and beaten by her husband, she writes: "It all I can do not to cry. I can make myself wood. I say to myself, Celie, you a tree. That's how come I know trees fear men." Walker, a former New York City welfare department worker, regards storytelling as a means of survival. "I am intrigued by mystery," she says. "Without mystery there is nothing."

Joan Didion, 48 *(A Book of Common Prayer, The White Album)*, shuttles with supersonic ease from novel to reportage. Her next nonfiction, *Salvador*, is certain to rattle corridors both north and south of the border. In the terse, dispas-

Joyce Carol Oates

Ann Beattie

Gail Godwin

Anne Tyler

Fran Lebowitz

Alice Walker

Ursula Le Guin

sionate style she uses to describe Los Angeles freeways and Beverly Hills burnouts, Didion recounts a painful trip to two embattled arenas: El Salvador and the U.S. embassy there.

Ann Beattie, 35 (*Falling in Place, Chilly Scenes of Winter*), has become a new and powerful influence on fiction, especially at *The New Yorker*. There, her droll, present-tense stories follow the disaffected narcissism of the Viet Nam generation into middle age. Humor, always a favorite of women as disparate as Dorothy Parker and Jean Kerr, has a new comedian: Fran Lebowitz, whose hip urbanity enlivens *Metropolitan Life* and *Social Studies*. As a child of the tube, her arch advice goes to more than the lovelorn. To parents: "Educational television should be absolutely forbidden. It can only lead to unreasonable expectations and eventual disappointment when your child discovers that the letters of the alphabet do not leap up out of books and dance around the room with royal blue chickens." To teens: "Stand firm in your refusal to remain conscious during algebra. In real life, I assure you, there is no such thing as algebra."

From Harriet Beecher Stowe to Judith Krantz, women writers have made it to bestseller lists. But the growing recognition of women as artists, concludes Harper & Row Editor Ted Solotaroff, responds to a new need: "Women not only have a subject but they have a sense of necessity about it. They want other women to know about this awareness, this knowledge."

A growing number of women writers are making the message familiar. In nine books in twelve years, Anne Tyler, 41, has populated an imaginary Maryland town with characters as memorable as those of Faulkner country. The hero of *Morgan's Passing* is a loud, daffy, unfathomable presence, as unexplainable as an Ahab. *Dinner at the Homesick Restaurant*, her most recent novel, uses an eatery as a metaphor for family life, in which food is the stuff of history, and patrons are constantly eating and running away. The wife of an Iranian child psychiatrist who is also a novelist, Tyler still bristles

Joan Didion

at being described as "a mother of two." Says she: "For me, writing was the only way out. Is John Updike a father of four who writes?"

Novelist Gail Godwin, 45, has taken up the theme of self-sufficient women with passion and precision. In four earlier works she offered that rarest literary character, the female rogue. This time, in *A Mother and Two Daughters*, her first bestseller, she soars through nearly 600 pages to modernize the message of *Jane Eyre:* would-be Rochesters stand back and let the heroines manage the estates. Godwin's women face their trials with refreshing distance, like the author. When a female interviewer asked, "Why do you feel a need to modulate suffering with sweet reasonableness and humor?" the author mused, "Honey, that's what they call character."

Shiloh and Other Stories, an important first volume of fiction by Bobbie Ann Mason, 42, introduces a Kentucky of disabled truckers and Rexall waitresses. Her view produces achingly accurate pictures of the commonplace. These tales neither judge nor mystify, but shine like a Formica countertop. "I'm writing about ordinary people rather than alienated superior sensibilities," she explains. "I'm writing about people who are trying desperately to get into the society rather than out of it."

Getting into the future once proved just as difficult. The science-fiction field, formerly a gentlemen's club run by the likes of Isaac Asimov, Frank Herbert and Arthur C. Clarke, now has a woman at the top of the charts. *The Left Hand of Darkness* by Ursula Le Guin, 53, won both Hugo and Nebula prizes, sci-fi's Pulitzers. Le Guin also won the National Book Award for her children's novel *The Farthest Shore* in 1972. Her 22 books, most of which are science fiction, have enlivened the hardware-oriented genre with emotional immediacy, much as Ray Bradbury's haunting tales once brought a Midwest folksiness to the future. *The Lathe of Heaven* (1971) imagines the year 2002 and a hero whose dreams become reality. Along with the fantasies, Le Guin textures her tales with poetic leaps. When a jellyfish is flung on the beach, she writes, "What will the creature made all of seadrift do on the dry sand of daylight; what will the mind do, each morning, waking?" Like many contemporary women authors, Le Guin, married with three grown children, is not an amateur who regards her craft as a pastime. Early on, the Fulbright scholar decided on fiction as a career. Says she: "It's like music. Are you just going to play the piano in the basement, or is it for real?"

The answer is evident. Women writers are playing for keeps. Two generations ago, Isak Dinesen wrote, "Only when women are old enough to have done with the business of being women can they let loose their strength." Women today can remain at that business while retaining their strength. Bobbie Ann Mason reflects: "Being a woman is not at the center of my thinking when I write. I'd like to think that I and a lot of writers are freer now that the battle is half won." As for the other half of that struggle, women writers will be faced with the problem that attends all artists. Poet Louise Bogan observes that from now on, "no woman should be shamefaced in attempting, through her work, to give back to the world a portion of its lost heart." —*By J.D. Reed. Reported by Janice C. Simpson/New York*

Pageant Through a Peephole

THE LIFE AND ADVENTURES OF NICHOLAS NICKLEBY
Mobil Showcase Network, Jan. 10-13

The tragedienne Mrs. Crummles, great of girth and spirit, explains to Nicholas why she had to give up her title role in *The Blood Drinker:* "The audiences, sir," she sighs and smiles, "they could not stand it. It was too . . . tre*men*dous!"

Modern audiences had no such difficulty with the Royal Shakespeare Company's production of *The Life and Adventures of Nicholas Nickleby.* In London in 1980 and a year later on Broadway, David Edgar's 8½-hour adaptation of the Dickens novel met with a rapturous reception. In a time when many serious playwrights are hell-bent on reducing life's dilemmas to their sparest parts, panhandling for quiddity, Edgar and Directors Trevor Nunn and John Caird served up a copious celebration of life in all its wickedness and wonder. Led by Roger Rees as the callow, rigorous hero, 39 R.S.C. actors played 150 parts; they set the scene and moved the scenery; they patrolled the rafters and eavesdropped on intimacies. Everywhere in this complex living organism a sense of theatrical community was affirmed, with a dazzling display of stagecraft that never relaxed its grip on the intelligent heart.

In summer 1981, just before embarking for the U.S., the *Nickleby* company faced a new challenge: how to transfer its achievement, on tape, to TV. Would the production be "too . . . tremendous" to fit into the home screen? Ideally, actors would have crept out of the TV frame, perched on top of the console, strolled across the living-room rug to shake out the viewer's passive complacencies. Practically, TV Producer Colin Callender and Director Jim Goddard had two options. They could create a new production for television, with naturalistic sets and discrete scenes, thus reducing the grand babble to *Masterpiece Theater* whispers. Or they could allow the actors to trace their familiar patterns, asprawl on the big stage, and catch as catch can. They chose the latter, and it was a wise choice; now this epochal production is preserved as fact, not as the fond memory of the 125,000 or so theatergoers lucky enough to have seen it.

It may, however, be initially confusing to millions of *Nickleby* novices. As host for the four-night series, Peter Ustinov provides helpful plot synopses and snippets of historical background, but he leaves some important unanswered questions for home viewers. Why are most of the actors doubling and tripling their roles? Why are characters breaking off a scene to describe their actions in the imperious third person? Why, when two characters are supposedly alone in a room, are other actors standing around watching them? Why, if this is television, does the camera occasionally cut to a theater audience cheering the performers—even, on two occasions, giving them perfunctory standing ovations? And why, if it is the record of a theatrical experience, does the director make use of such video effects as rapid cutting and multiple exposure? All these are conventions, of stage or small screen, to which the viewer must and can accommodate himself.

ART KANE

The Nicklebys & Co.: Rees and Richard at center, Threlfall below

Even on TV the play beguiles, enthralls, inspires, astonishes.

Clarifying the play's theme that money rules the Western world, the re-creators have changed the order of some scenes. A late subplot involving Mrs. Nickleby's flirtation with a deranged gent next door has been dropped. Some lovely grace notes go unheard: one especially misses the moment when Nicholas' sister Kate (Emily Richard), in a garden with her brother and their poor crippled friend Smike (David Threlfall), whirls gaily about and into their arms. The original production blended such small strokes with the most profligate spectacle. On TV the urge toward intimacy is overwhelming, and this *Nickleby* leaves the viewer with a slight sense of having seen a pageant through a peephole.

Even so, *Nicholas Nickleby* remains that rarest of commodities, an essential entertainment. The world Dickens created is here in most of its rough glory—a compact universe defined by the imperatives of business, romance and, most of all, the family. Eight families populate *Nickleby,* from the histrionic Crummleses to the fop-and-frau Mantalinis to the suffocatingly new-rich Wititterleys, and each plays an amusing or fearful variation on the blood tie. At the center are the Nicklebys, tidy repositories of every middle-class virtue. The Kenwigses, with whom Nicholas boards for a spell, are even smugger and snugger: more than a dozen Kenwigses and friends squeeze nightly into their snuffbox-size parlor. Dotheboys Hall, the reeking dregs of Victorian pedagogy, is run by one Wackford Squeers (Alun Armstrong), a scrofulous sadist with his pupils but an egregiously doting husband and father.

Surrounding these families is a gallery of unattached rogues and lost souls: Nicholas' usurer uncle Ralph (John Woodvine), a malefic and finally tragic figure; Ralph's clerk Newman Noggs (Edward Petherbridge), with a frayed past and a lace-valentine soul; Sir Mulberry Hawk (Bob Peck), who pursues Kate with all the arrogance of titled power; and Smike, displaying a feeble dignity by the doggedness with which he endures every outrage.

Through these performances, through the breadth and generosity of its vision, *Nickleby* still beguiles, enthralls, inspires, astonishes. Its vitality energizes each theatrical moment and effortlessly shames its TV competition. Mobil Oil, which helped finance the production, offered *Nickleby* to each of the commercial networks. All three turned it down; and PBS policy would not permit Mobil to run the dozen "institutional" commercials it plans. So an *ad hoc* congeries of local stations (including 14 PBS affiliates, which will not air the ads) has the privilege of showing *Nickleby* and denting the prime-time ratings for four nights next week. Should this splendid show prove a popular success, it would make for an aesthetic and moral triumph that Dickens, friend of the ambitious underdog, would have savored.

—*By Richard Corliss*

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King, Menthol and Box 100's: Less than 0.5 mg. tar, 0.1 mg. nic.

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Carlton is lowest.

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Box: Less than 0.5 mg. "tar", 0.05 mg. nicotine, Soft Pack, Menthol and 100's Box: Less than 0.5 mg. "tar", 0.1 mg. nicotine, 100's Menthol: 3 mg. "tar", 0.3 mg. nicotine, 100's Soft Pack: 4 mg. "tar", 0.4 mg. nicotine av. per cigarette, FTC Report Dec. '81.

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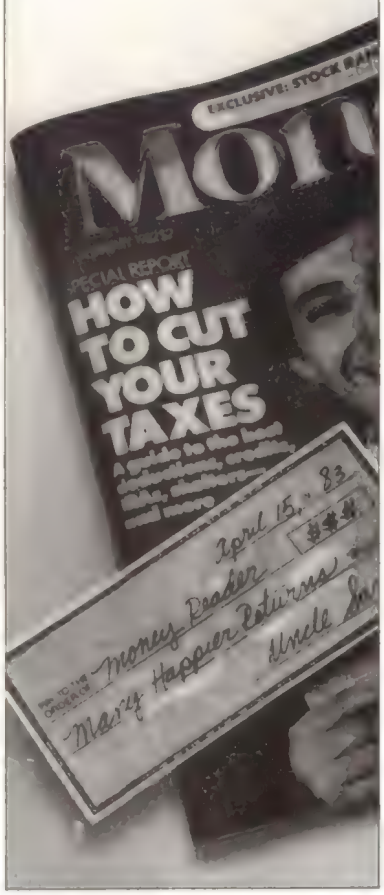

Medicine

Blasting to Smithereens

Using sound waves to disintegrate painful kidney stones

Kidney stones are one of man's most common afflictions, and among the most agonizing. As many as one in ten American males and one in 40 women will eventually suffer excruciating pain caused by the accumulation of crystalline material in the kidneys. The incidence of the disease is two to three times higher in the Southeast U.S., which, for reasons unknown—perhaps diet, water supply or climate—has one of the highest rates of kidney stones in the world. Usually a stone will be spontaneously excreted by the sufferer. But each year about 200,000 Americans are hospitalized for the ailment, and 10% to 25% require major surgery that is both costly and painful.

Dr. Robert Kahn zeroes in on his quarry

Once the target is zapped, it just falls apart

A new instrument, developed in West Germany and Austria, is now making this surgery obsolete in many cases. The percutaneous nephroscope allows doctors to remove stones through a tiny opening in the patient's back or to shatter them into harmless fragments with bombardments of sound waves. Introduced in the U.S. in the fall of 1981, the technique is being used by more than a dozen major medical centers around the country.

Doctors begin the new procedure by administering a local anesthetic and making an incision no larger than ¼ in. Conventional surgery would have required an 8-in. to 10-in. cut. A catheter is inserted near the stone, and, depending on the circumstances, the patient will either be sent home for a week, while his urine drains into a bag, or remain overnight in the hospital. The advantage of waiting a week is that it allows time for tissues around the opening to harden, thus enabling doctors to complete the job using only local anesthesia.

When the patient returns to the operating room, the surgeon removes the catheter and inserts the nephroscope. Optic fibers in the device provide a clear view of the quarry. The doctor then eases a tiny, basket-like grabbing device through the nephroscope and manipulates it to grasp and remove the stone.

If the stone is too big to be "basketed," doctors insert a metal rod that conducts high-frequency sound waves into the stone. "The surfaces tend to be pretty hard," says Urologist Robert Kahn of the University of California at San Francisco, "but once the thing is cracked, it falls apart." The fragments are removed by suction or the grabbing tool. Total time from start to finish: between half an hour and two hours, depending on the size, number and chemical composition of the stones.

"After this procedure, patients are up and around pain-free the next morning," reports Urologist Culley Carson of Duke University Medical Center. "It would be difficult for them to walk around for three or four days after conventional surgery." Another advantage: nephroscopy patients can return to their jobs in about a week; surgical patients require ten days of costly hospitalization and up to eight weeks of convalescence. "There really is no trauma to the system with this method," says Dr. Joseph Segura of the Mayo Clinic, which pioneered the technique in the U.S.

Ultrasonic therapy should be an especially valuable technique for patients who require treatment for recurrent stones. Repeated operations can eventually destroy the kidneys. Says Carson: "With the new technique, there is less risk."

A more esoteric stone-blasting method is now being tested at Munich University's Urological Clinic. No surgery at all is required. Dr. Christian Chaussy places patients in a tub of water and, using special equipment, directs shock waves at the kidney stone, which is located by X ray. The patients, who are partially anesthetized, can relax in comfort while listening to piped-in music. Afterward, however, cramps may occur while the stone fragments are being excreted. The pain occasionally persists for up to three months, but only two of 351 patients have required surgery to remove seemingly shatterproof stones. There is a hitch: to date, Munich has the only such apparatus in the world. Consequently, Chaussy says, "we are overrun by prospective patients." ■

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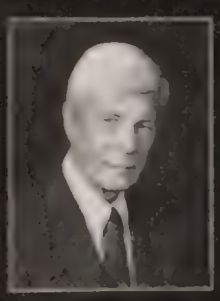

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CHECK YOUR LOCAL TV LISTINGS FOR TIME AND STATION DURING THE LAST TWO WEEKS OF JANUARY.

TLC for DWMs and SWFs

Classified love ads are a booming business

At a few dollars or so per line, they are the natural outlet of the discreet, the sincere and the sensitive, all seeking kindred spirits for meaningful relationships. Classified love ads, once relegated primarily to non-mainstream papers like New York City's *Village Voice* and the sex magazines, are now blossoming almost everywhere. In the ad columns of at least 100 magazines and newspapers, even in dailies like the Chicago *Tribune*, armies of hopeful DWMs and SWFs seek mergers as POSSLQs (translation: divorced white males and single white females wish to unite as persons of the opposite sex sharing living quarters).

Analysts and advertisers seem to agree that love ads are now an important part of the mating game. "Your Aunt Susan isn't going to find anyone for you," complains Philadelphia Businesswoman Cari Lyn Vinci, who has met 25 men by using ads. Adds Edwin Roberts, manager of classifieds for *New York* magazine: "If you talk to people who go to singles bars, you just hear a lot of frustration."

The most successful ads seem to indicate a quivering sensibility or a rakish, humorous personality, perhaps with a naughty hint of "life in the fast lane." The *New York Review of Books* often features a mock high-cultural tone ("Man who is a serious novel would like to hear from a woman who is a poem"). Sincere is the lowest-ranking adjective, says Sherri Foxman, author of a new book on the subject, *Classified Love*. "If you write 'Sincere woman seeking sincere man,' you're going to get 25 boring letters." Since standards of accuracy are not always rigorous, the words slim and attractive are not taken literally. Susan Block, a Los Angeles writer, says "the most frequent complaint from men is that the women weigh more than they say. The women complain that the men are flaky."

The recently divorced, along with homosexuals newly out of the closet, use the ads to find quick action. Senior citizens, the handicapped ("I walk with a cane") and those with concerns ("SWM . . . seeks WF WITHOUT HERPES") can come right to the point without hours of social jousting. Once the natural home of kinks and losers, the classified personals now attract people known to advertisers as "upscale." Even the *Village Voice*, which handles about 50,000 replies to love personals each year, says its audience is "mid-30s, affluent, with many professionals."

Some of the publications do have taboos. The Chicago *Tribune*, which runs love ads Mondays and Fridays, does a brisk business among the divorced, but takes no marrieds. Most large newspapers and city magazines turn down blatantly kinky ads, but a few slip by the censors in disguise. "I love wearing makeup" is a semisubtle hint at transvestism. At the *Voice* almost anything goes. "We allow people to describe themselves fully," says Associate Publisher John Evans, "but we don't allow things like mention of body parts."

A cottage industry is springing up around the ads. Author Foxman runs a classified love telephone line in Cleveland. Entrepreneur Vinci started a similar service in Philadelphia. Author Lynn Davis offers a three-hour workshop in New York City called "Personal Ads, Why Not?" Vi Rogers, editor of National Singles Register, a tabloid published in Southern California with many pages of personals, says the search for love, and not just sex, is producing the boom. "I never realized how many men wanted to get married in Southern California," she says. "Men and women today want the same thing: romance, love and commitment." ■

Milestones

EXPECTING. Meryl Streep, 33, seraphic star whose riveting performance as the heroine of *Sophie's Choice* last month won her best actress of 1982 honors from the New York Film Critics Circle, and her husband, Sculptor **Don Gummer,** 36; their second child.

DIED. John L. Swigert Jr., 51, plucky, earnest Apollo 13 astronaut, who was due to be sworn in this week as a Republican Congressman from Colorado; of lung and bone-marrow cancer; in Washington, D.C. Chosen as a replacement one day before unlucky 13's launching in 1970, the civilian astronaut coolly announced, when an oxygen tank exploded, "Houston, we've got a problem," then initiated emergency procedures he had helped develop. Turning to politics, he spent most of his life savings in an unsuccessful bid for a senatorial nomination in 1978, but came back last year to win 77% of the votes in a congressional primary. Swigert announced his cancer last September, saying his doctors were confident he would beat the disease.

DIED. Hugh Gallen, 58, plain-speaking, two-time Democratic Governor of traditionally Republican New Hampshire, who upset Incumbent Meldrim Thomson in 1978 on his promise (later honored) to eliminate a surcharge from electric bills and hold the line on taxes; of liver and kidney failure, a week before he was to leave office; in Boston. A self-made owner of a car dealership, Gallen in his third gubernatorial campaign refused to take "the pledge" against a state income or sales tax because of looming budget problems, rightly suspecting that his stance might cost him re-election.

DIED. Arthur Bryant, 80, cheerful proprietor of a down-home Kansas City restaurant frequented by Presidents and championed by some critics as the world's greatest barbecue joint; of a heart attack; in Kansas City. Upon taking over the place in 1946, Bryant swiftly introduced his own legendary sauce—red, grainy and spicy—and downgraded the décor, saying that fancier "wouldn't be no grease house."

DIED. Jack ("the Dandy") **Parisi,** 83, natty, baggy-eyed triggerman for the infamous Murder, Inc. gang of the '30s who beat every rap brought against him save one: he served six years for narcotics trafficking; in Hazleton, Pa. Said one prosecutor of the tight-lipped, Italian-born hitman: "If you hung him up by the thumbs for eight weeks, he might tell you his first name."

DIED. Louis Aragon, 85, engaged and engaging rebel, *homme des lettres* and uncrowned laureate of French Communism; in Paris. A Dadaist and co-founder in 1919 of surrealism, Aragon was a decorated hero of two World Wars, revered especially for the ringing patriotism of his 1940s Resistance poems. Slim and elegant, he uncorked his rhetorical gifts irrepressibly: in art criticism, in labyrinthine, sometimes brilliant novels (*The Bells of Basel, Holy Week*), in often romantic poetry, but most vigorously—and to some incongruously—in essays, books and political activism championing Stalin.

A Victory for Christian Schools

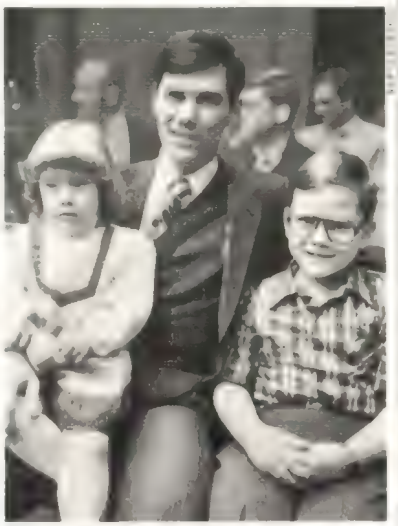
Basics and the Bible are freed from state control

It is 8:30 a.m. on a wintry Michigan day In a classroom decorated with a large Scripture verse and accordion-pleated angels sit 27 third- and fourth-graders. The mood is quiet and serious. Lessons start with the Pledge of Allegiance, then a stanza of *America*. The students pray aloud for relatives; they thank God for Bobby's new glasses. For 45 minutes, their teacher, Joel Allen, 28, leads the students through Bible study. "Who made you?" he asks. "God made me. *Job 33: 4*," the children answer. During the course of the 6½-hour day at the Bridgeport Baptist Academy, the students, ages four to 18, are drilled in the basics and the Bible. Says Allen: "We don't consider it a job working here. We consider it a ministry."

The independence of that ministry was resoundingly upheld last week. In a strong, unambiguous decision, a Michigan judge reaffirmed the First Amendment guarantee of separation of church and state by exempting private Christian schools from state supervision of their curriculum and teachers. Ministers, teachers and parents of the Bridgeport Baptist Academy and the Sheridan Road Christian School, both near Saginaw, had charged that attempts by the state's board of education to supervise curriculum and teacher qualifications violated their religious freedom. Judge Ray Hotchkiss agreed, ruling that the board, by imposing its secular standards of education on religious schooling, "interfered with plaintiffs' constitutional right to freely exercise their religion." Said Hotchkiss: "This court fails to see a compelling state interest in requiring nonpublic schools to be of the 'same standard' as public schools in the same district. Such a scheme does not ensure even a minimum degree of quality of education." Hotchkiss, however, did uphold the state's right to impose on the Christian schools health and safety requirements, to which they had never objected

The fundamentalists were jubilant at their victory. Said Sheridan Road Principal Bill Swain: "We knew our position was strongly supported by the Bible. We thought we had the Constitution on our side But I didn't expect to get a favorable decision." William Bentley Ball, a leading constitutional lawyer who argued for the two schools, called the judgment "very strong on religious liberty, clarifying the right to teach and the right to learn."

While the decision applies only to Michigan, it may influence other states. As independent Christian schools have proliferated over the past decade—with an estimated enrollment of 600,000 students nationwide—so have conflicts with state authorities. In Nebraska, the Rev. Everett Sileven of Louisville was jailed four times in 1982 for defying a court decision requiring him to hire state-approved teachers for his Faith Baptist School. In Massachusetts, Assistant Attorney General Maria Lopez has asked a civil court to impose a $100-a-day fine on two ministers who operate the Grace Bible Church Christian School in Dracut until they agree to report the names, ages and residences of their 30 students. In Maine, a major case will be tried in February. The issue: whether the teachers at the Bangor Baptist Church School and some 20 other Christian schools need to have state approval and whether the schools must maintain and report educational records



Sheridan Road Principal Swain in court

Demanding separation of church and state.

These cases involve a conflict between two important democratic values religious liberty and the state's obligation to ensure that children have access to a free, adequate education. All 50 states have compulsory attendance laws, and ten of them require their private schools to use state-certified teachers Catholic, Lutheran and Jewish schools for years have accommodated state requirements. But the Protestant fundamentalists who run the new Christian schools interpret both the Bible and their mission more rigidly. The Rev Gerald Somero, 42, minister of the Sheridan Road Baptist Church, believes that by complying with licensing requirements "we are saying to the state 'you have a right to choose whom God has called to the ministry of teaching.'"

States generally require that teachers be college graduates with a certain number of education credits and practice-teaching hours. In contrast, teachers at the Bridgeport Baptist Academy must be "born again," regard teaching as a spiritual calling and live by biblical standards. They must have some college training, preferably at a Christian institution, but a bachelor's degree is not essential. Nonetheless, some teachers at these schools are highly qualified by any secular standard: Allen, for instance, not only has a teaching degree but a master's in divinity, both from Christian colleges.

In the Michigan trial, the issue of teacher certification turned out to be more of an embarrassment to state officials than to the Christian schools. Education experts could not agree on which standards the Christian teachers needed to follow, nor could they prove any link between certified teachers and good education Noted Judge Hotchkiss, a former public school teacher: "The overwhelming evidence shows that teacher certification does not ensure teacher competency and may even inhibit it." Since each student who leaves a Michigan public school to attend a Christian academy deprives the local school district of about $2,000 in state aid, the judge also observed that state officials were hardly disinterested guardians of education. He called state regulation of private schools "an incredible conflict of interest."

Many parent sponsors of the new Christian academies have a deeply rooted animosity toward public schools. In their view, the

Bridgeport Teacher Allen presides over a quiet classroom

"We don't consider it a job. We consider it a ministry."

schools have adopted a godless philosophy of "secular humanism" by requiring classroom discussion of such touchy subjects as sex education and feminism. Because secular humanism is in conflict with the Bible, as these parents see it, it is a sin for them to send their children to public schools. Says Blanche Reinbolt, who has three children at Bridgeport Baptist Academy: "I've seen what certified public school teachers have done for my kids, and it wasn't good."

Among other things, discipline at the academy is strict. Behavior "condemned by the word of God," such as profanity, smoking, lying, fighting, gambling and cheating, is considered grounds for corporal punishment and even expulsion. Before their children are accepted for enrollment, parents must sign a letter authorizing staff members to paddle students for continual offenses. (The letter explains: "Following the administering of the strokes, the staff will pray with your child, assuring him or her of their love.") Says Howard Riles, father of a sixth-grader: "What I hope is that when my daughter goes off to college, she'll have some character."

The Bridgeport parents pay from $900 for one child to $1,750 for three or more children. Talented students are motivated to excel; those with less ability at least learn the basics. Like many Christian schools, the Bridgeport Academy uses a core curriculum of social studies, science, math, English and spelling interspersed with Bible teachings. The results make a strong case: at Bridgeport, eighth-grade students taking the Metropolitan Achievement Test averaged tenth-grade levels. At Nebraska's Faith Baptist, pupils scored a year ahead of their public school counterparts on the California Achievement Test.

Michigan officials intend to appeal Judge Hotchkiss's verdict. Says Assistant Attorney General Richard Gartner: "The state now has no process to approve nonpublic schools." Part of Michigan's compulsory education law says that parents must send children to state-approved schools. According to Gartner, there is now a legal doubt as to whether the compulsory attendance requirement is legal.

Nationwide, there remains much confusion over the constitutionality of state education laws. Says Maine's Deputy Attorney General Rufus Brown, who will argue a similar case in February: "A number of state and federal courts have recognized the legitimacy of minimal standards for teacher qualifications and for curriculum." But Dean Kelley, head of the civil liberties division of the National Council of Churches, maintains, "The U.S. Supreme Court has recognized the right of parents to send their children to schools other than the public schools." The Supreme Court may have to make another decision—this time on what requirements states can impose on both public and private schools. —***By Ellie McGrath. Reported by Barbara B. Dolan/Detroit***

Press

No Easy Trick

How to spoof the Enquirer*?*

Perhaps nothing is harder to satirize than a venture that is already a caricature of itself. By that standard, the ultimate challenge to a parodist would have to be the weekly scandal sheets sold at supermarket checkout counters, epitomized by the 56-year-old *National Enquirer* (circ. 5 million). The *Enquirer* and its imitators, including the *Globe*, *Star* and *National Examiner*, feverishly mine such exotic "news" as people biting snakes, unimaginably obese couples losing hundreds of pounds, clergymen having visions of aliens or ghosts, and almost any gossip involving the Kennedy family.

A send-up that barely exceeds the original

The difference: no claim to be true.

Hard as it may be to concoct articles more bizarre than what the tabloids already run, the challenge has been taken up by Tony Hendra, 41, the editor-entrepreneur behind the 1978 parody *Not the New York Times* and last April's *Off the Wall Street Journal*. Says Hendra: "The *Enquirer* style is difficult. You have to keep sentences to ten words and use 'mind-boggling' and 'national survey' over and over. To get the layout right you have to unlearn everything you know about good design."

About 1.6 million copies of his *Irrational Inquirer* are scheduled to reach newsstands this week, and except for the price, $2, *vs.* 65¢ for the *Enquirer*, the takeoff is all but indistinguishable from the original. Indeed, that may be the jape's major flaw. Even regular readers of the *Enquirer* and its ilk may err in guessing which of the following stories comes from the spoof and which from the "real" tabloids:

▸ The Chinese Communist government is sabotaging the U.S.—by spreading herpes.

▸ John Lennon speaks daily from beyond the grave to his widow Yoko Ono.

▸ Making funny faces can help you look years younger.

▸ You can live in an enclosed steel box and be comfortable.

▸ "Good Night, Gracie [Allen]: My horror encounter with actress's ghost."*

The close imitation was taken, possibly sincerely, as flattery in the Lantana, Fla., headquarters of the *Enquirer*. Said *Enquirer* Editor Iain Calder, 43: "Obviously, I noticed the similarity. It's another confirmation that we are No. 1." Hendra's partner and publisher, Larry Durocher, 42, joked in an interview that the major difference between the publications is that the spoof is stapled together, while the *Enquirer* is merely folded. Then he noted another distinction that probably ought to matter to the 11 million credulous readers of the major U.S. scandal tabloids. Said Durocher: "We make no claim that our stories are true." ■

Help Unwanted

Parade *rains on an old story*

Dorothy Ridgway was nine in 1960 when wire services reported that she was dying of a rare bone disease and that her only wish was for Christmas cards: a kindly world sent 600,000 of them within weeks. This year *Parade*, the ubiquitous (circ. 22 million) Sunday newspaper supplement, decided to visit Dorothy, now 31 and alive after all. The portrait in the Dec. 19 issue was vivid down to the last teardrop: Freelance Writer Dotson Rader found Dorothy, stunted and virtually housebound, living with her parents in Roanoke, Va., sustained by memories, dreams and a disability check of $221 a month. Once again America responded. *Parade* Managing Editor Larry Smith announced last week that the magazine was forwarding truckloads of mail to Dorothy. She also received cash, offers of color televisions, furniture and a central heating system. Exulted Smith: "Dorothy's story has tugged at the heartstrings of America." But the Ridgways were embarrassed; they pointed out that *Parade* had misrepresented their neighborhood as Roanoke's poorest, and insisted that their home was not, as *Parade* depicted it, "bleak." Further, Dorothy's check is augmented by Medicaid, and her parents receive public assistance totaling about $500 more a month; gifts may imperil the family's eligibility for relief. Said Mary Ridgway: "Others are worse off than us. I do not want people to think Dorothy was begging." *Parade* Editor Walter Anderson defended the story as a "powerfully written work that proved itself by the response." ■

*Only the last story is from the *Irrational Inquirer*.

Essay

The Protectionist Temptation

There are two basic visions of it. Protectionism, in the free trader's eyes: When an economy gets sick, it wants to withdraw from the world. A protectionist psychosis sets in. The invalid retreats into the house and locks the doors and windows and pulls the shades. Hypochondriac, jittery, paranoid, the economic system settles down to feed upon its own inadequacies. It sits in its slippers by the cold furnace and thinks about how well it used to make things, long ago. It disconsolately guzzles Old Smoot-Hawley, far into the night. Then it passes out. Another economy gone, as defunct as Mayan civilization.

Or else, the protectionist's happy dream: The prospering American family gathers at its bright windows to peer outside. There, in the dusk, the streets are clogged with trade-crazed foreigners, Brazilians burdened down with shoes, Koreans with shirts, Japanese revving their Hondas, bearing a million videotape recorders on their heads. The foreigners wail and gnash their teeth as they hurl their inventories against the impenetrable American trade barriers. The American economy waves smugly to the rest of the world, then settles in to savor a bit of roast beef and full employment.

Both visions are fantasies, cartoons of the harder, drearier, subtler economic realities. The first is closer to the truth. Unfortunately, the months of recession and traumatic unemployment have begun to attract many Americans to the second vision, the protectionist illusion.

As their plants close down and workers go onto indefinite layoff and the hard winter sets in, Americans want help. They begin to regard themselves as the suckers of international trade, the only free trade purists left in a world of venal nationalisms.

The impulse to protect American products by tariffs and other means begins to seem irresistible. Politics comes lumbering in. The 1984 election is likely to turn upon the condition of the American economy. Walter Mondale, long a free trader, began sounding like a tough-guy protectionist as he toned up last fall for the presidential race. Congressmen heard the cries from home. The House passed a "domestic content" bill that would have required that American parts or labor must be involved in producing most foreign cars sold in the U.S. The Reagan Administration figured that the bill would prompt retaliation from U.S. trading partners, raise U.S. car prices by 10% and cost the economy from $3 billion to $5 billion overall.

What is wrong with protectionism? Americans for much of their history kept themselves snugly wrapped in protectionist laws. The famous Smoot-Hawley Tariff Act of 1930 set up the highest general tariff rate structure that the U.S. had ever had. One nation after another retaliated. The tariffs helped deepen the Great Depression worldwide and thus at least indirectly brought on World War II. Protectionists say that was an extreme case. No one wants to go back to Smoot-Hawley. Protectionists today want subtler, more modulated laws.

In some ways, the debate between free traders and protectionists is illusory, an argument about a world that does not exist. Free trade is merely a theoretical ideal. All trading nations protect themselves, more or less. West Germany is the nation that is most open, closely followed by the U.S. France is more protectionist than the U.S. Almost everyone except the Japanese regards the Japanese as the most protectionist, given to such elaborate nontariff barriers as the superzealous customs check and a cohesive, even collusive, partnership between business and government.

The real question, a hard and unsettling one, is whether the U.S. will yield to political temptation and become much more deeply protectionist than it is now. If it does, the results, for both the U.S. and the world economy, could be devastating. The principles of free trade remain essentially valid; the logic of protectionism remains beguiling and essentially self-destructive. Consider one example of how protections can subvert the economy. The American machine-tool industry recently joined the lineup of those seeking protection from foreign competition. The industry has been seriously hurt by the recession and by imports of cheaper or better machine tools from Japan and other countries. Since machine tools are essential to a growing U.S. economy and to its defense, the toolmakers argue, import restrictions must be imposed so that the domestic industry can survive and supply other U.S. manufacturers with the equipment to modernize and expand.

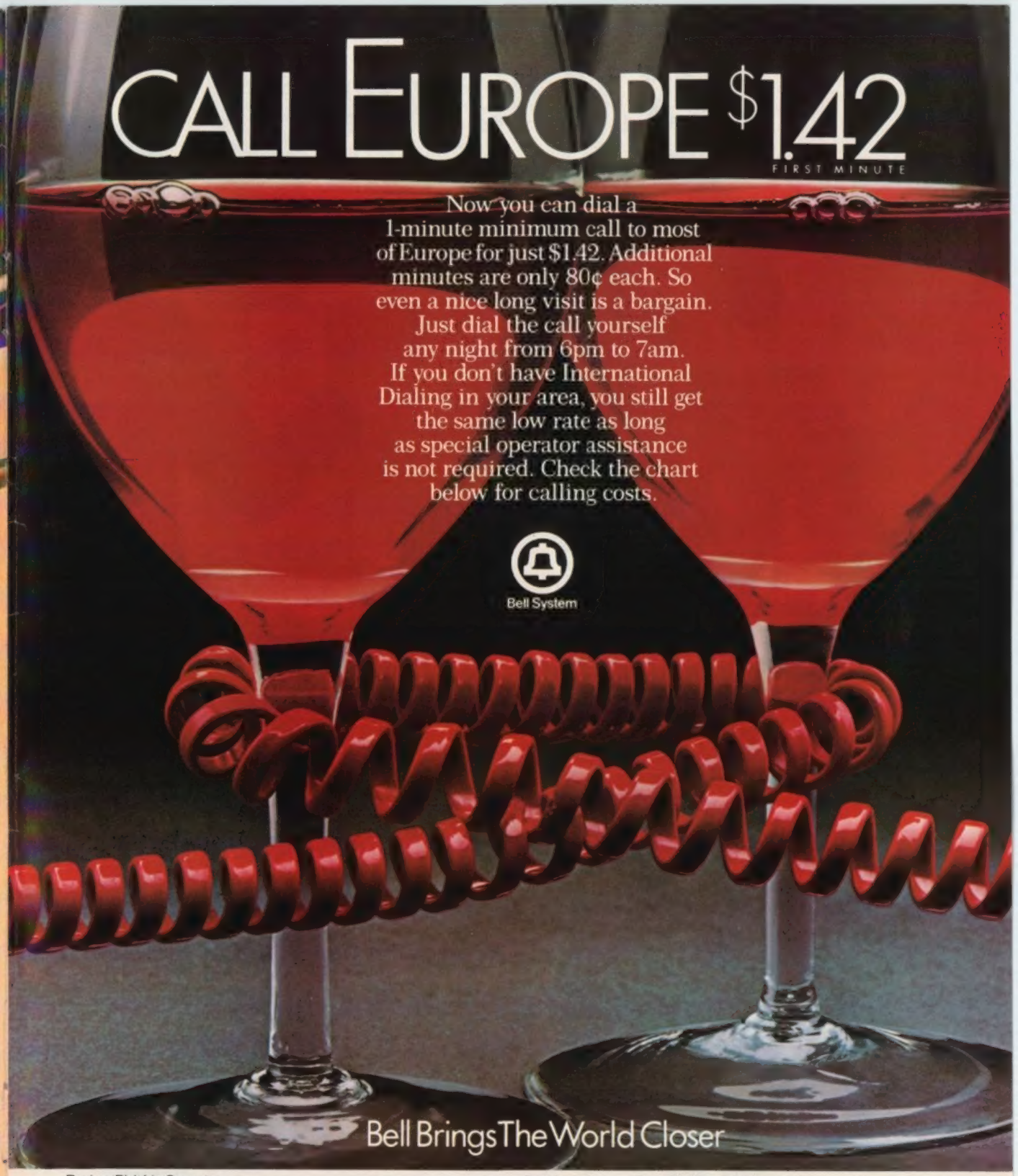
It is a seductive but wrongheaded argument. Import restrictions on cheaper or better tools would mean that the domestic industry would no longer be forced to match foreign competition. This would mean the U.S. manufacturers who buy machine tools would have to make do with more expensive, less sophisticated or less efficient American machine tools. Inevitably, those American manufacturers would produce more expensive, or less modern, products. Their competitiveness would suffer. They would lose sales both in the U.S. and abroad. Then those manufacturers would also be traveling to Capitol Hill to demand protection against "unfair" foreign competition. That kind of protectionist spiral could suck the U.S. economy, and that of the entire free world, toward long-term stagnation and depression.

Protectionist laws can indeed give short-term relief to some targeted industries. But protectionism amounts to a subsidy that is financed by the U.S. consumer and other U.S. industries. Furthermore, Newton's third law of motion (the one about every action having an equal and opposite reaction) applies in international trade. Protectionist laws invite retaliation. The logic of protectionism is degenerative. It pitches economics toward a medieval and even tribal fragmentation.

If the U.S. means to develop a trade strategy, it should not begin with protectionism. That tends to push things toward stasis and mediocrity. The economic recovery of the U.S. hinges upon the nation's ability to regain its competitive strength in the markets abroad.

The U.S. should encourage innovation in its industries. The dollar is overvalued, which hurts the American cause. The U.S. strategy should be to bring down foreign barriers that unfairly hinder exports. It is a delicate game. The *threat* of new protectionist measures by the U.S. can sometimes be used to induce other nations to drop their barriers, which are often insufferably high. Yet the *enactment* of those measures could be ruinous.

A certain amount of stolid dogmatism deadens the debate. The terms themselves—free trade and protectionism—have become inert and somewhat pointless. The best approach is one of subtle, intelligent and infinitely imaginative flexibility. The U.S. has its responsibilities as the economic power of the world. But it can still negotiate and persuade and improvise in the cause of its enlightened, aggressive self-interest. —*By Lance Morrow*



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